

# Forget the Glass Ceiling: Build Your Business Without One

Gerri Stengel



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# Dedication

To my mother and the other mothers who inspire their daughters by showing the way. My mother, Mickey, went back to work before it was acceptable — in the '60s. First as a bookkeeper in my grandfather's hardware, houseware and toy store. Then as the owner, when she and my father opened their own store.

When I graduated from college, I opted for the corporate world instead of running the family business. My mother would be delighted that I have since started my own business. She would be even more pleased that my business gives me the opportunity to write about the successes of women entrepreneurs to inspire the next generation.

Thank you, Dell, for the opportunity to write about 10 awe-inspiring women who didn't need to break glass, because they're building businesses without ceilings.



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# Foreword

by Jennifer Jones “JJ” Davis

Entrepreneurship is a key driver of a country’s prosperity and competitiveness. Yet more countries need to create conditions for women entrepreneurs to access the capital, networks and technology they need to flourish.

At Dell, we have a long-term commitment to finding solutions that help women grow their businesses. The Dell Women’s Entrepreneur Network (DWEN), our Women Powering Business LinkedIn community, supplier diversity initiatives and Dell’s internal women’s organization, Wise, have positively impacted thousands of business women. But, there’s more we can do. More we need to understand to drive change and opportunity.

That’s why in 2013 we commissioned a new study — *The Gender-Global Entrepreneurship and Development Index (GEDI) Research of High-Potential Women Entrepreneurs* — to better understand, quantify and track the challenges women founders face over time. This research was the first index to measure and rank conditions for high potential female entrepreneurship to thrive, identifying strengths and weaknesses with a view to informing change and progress.

Initial results showed that there is room for improvement for all countries regardless of their level of economic development. Awareness of the current landscape is the first step toward real change, and the *Gender-GEDI* results have put a spotlight on the challenges and opportunities women entrepreneurs have to overcome to grow and prosper. Dell has continued its work with the *Gender-GEDI* team, expanding our research from 17 to 30 countries in 2014. Our focus is to find the additional ways we can help support, serve and positively influence female entrepreneurship worldwide.

The following stories highlight 10 women entrepreneurs who have overcome challenges outlined in the *Gender-GEDI Index* to grow their companies, impact local communities and change the face of entrepreneurship as we know it.

# Introduction

Economists and research findings concur that women entrepreneurs are an untapped force that can rekindle economic expansion. "If we hope to accelerate growth in the global economy, we cannot afford to leave out half the population," said Cindy Padnos, founder and managing partner of Illuminate Ventures, an early stage venture capital firm focused on enterprise, cloud and mobile software.

Women entrepreneurs can provide a stream of companies that are innovative, market expanding, export oriented and job creating. "Women are armed with more educational credentials than ever -- increasingly in fields where entrepreneurialism is flourishing," said Peggy Wallace, managing director of Golden Seeds, one of the most active early stage investment firms, focused on women-led companies. "There are no limits to entrepreneurship, other than an entrepreneur's creativity and fearlessness," said Lori Hoberman, chair of the Emerging Company/Venture Capital Group, Chadbourne & Parke. "That is very liberating, especially after being stunted by the corporate sector."

Research shows that women bring unbelievable strengths: values and an emphasis on leading through purpose, infusion of positive emotion and energy at work, meaningful relationships that lead to community-building, participative decision-making and a focus on people as well as strategic direction and a tendency to do their homework!" said Joanna Barsh, author of *Centered Leadership and How Remarkable Women Lead*.

Yes, women are starting firms at faster rates than men, but don't let the numbers deceive you. Women are starting from a much smaller base. They are also much more likely to start micro-businesses than high-potential ones. Women own 34% of businesses under \$100,000 in revenue and 6% of businesses over \$10 million in revenue.<sup>1</sup>

There's no doubt about it: women business owners face greater funding challenges than men. Some of the obstacles are internal, such as not dreaming big enough to not seeking outside funding, and some are external, such as discrimination or lack of a large and diverse network.

If women entrepreneurs in the United States started with the same funding as their male counterparts, six million jobs would be added to the economy within five years, according to research by Babson College.

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<sup>1</sup> The 2013 *State of Women-Owned Businesses Report*, commissioned by American Express OPEN and authored by Womenable

Women don't lack ambition. They want to succeed just as much as men. Yet women face barriers that men don't. These barriers are internal, cultural and institutional.

Women don't lack ability. They have the leadership chops and major skills that result in high-performing companies.

The purpose of *Forget the Glass Ceiling: Build Your Business Without One* is to break down the stereotypes that women can't found and/or run high-potential companies. Too many talented women don't pursue entrepreneurship. The combined wisdom and individual stories of 10 women is the basis for educating, motivating and inspiring women entrepreneurs so they start, build and expand businesses. These women represent different industries, company sizes, geographies and ethnicities. What they share in common is the confidence to dream big and make their dreams come true.

- Erika Bliss, CEO of Qliance, Seattle, WA
- Mandy Cabot, founder and CEO of Dansko, Chester County, PA
- Luan Cox, founder and CEO of Crowdnetic, New York, NY
- Liz Elting, Co-CEO of TransPerfect, New York, NY
- Kara Goldin, founder and CEO of Hint, Inc., San Francisco, CA
- Lili Hall, president and CEO of KNOCK, Inc., Minneapolis, MN
- Paula Long, CEO of DataGravity, Nashua, NH
- Kourtney Ratliff, partner, Loop Capital Markets, Chicago, IL
- Danae Ringelmann, founder and Chief Development Officer of Indiegogo, San Francisco, CA
- Nina Vaca, founder and CEO of Pinnacle Technical Resources, Dallas, TX

No magic recipe can scale your company. Broad frameworks can help, but you have to rely on your own judgement. "Men don't worry much about whether they know everything they need to know to do a job," said Gloria Feldt, cofounder and president of Take The Lead, a leadership training organization for women. "Women worry too much."

"Don't isolate yourself or think you can do it alone. Reach out to help others and ask for help when you need it. Mentor, sponsor, refer and ask for referrals," said Feldt. The profiled women learned to seek the counsel of others, whether it was from their cofounders, advisors, mentors, professionals or employees.

As its foundation, the book uses *Gender-Global Entrepreneurship and Development Index (GEDI) Research of High-Potential Women*

*Entrepreneurs*, commissioned by Dell. It is the first diagnostic tool that comprehensively identifies and analyzes the conditions that foster high-potential female entrepreneurship development.

The tool compares the Entrepreneurial Environment, Entrepreneurial Ecosystem and Entrepreneurial Aspirations in 30 countries. Broadly speaking, Entrepreneurial Environment focuses on assessing the “entrepreneurial spirit and culture” of a given society as well as the presence of institutions to support entrepreneurial startups. The Entrepreneurial Ecosystem measures variables that affect access to resources and institutions needed for female business development. Entrepreneurial Aspirations focuses on the individual entrepreneurial characteristics as well as resource availability needed for “high-potential” female entrepreneurship to prosper and contribute to economic growth.

*Gender-GEDI* examined research from 30 countries. For this book, we concentrated on metrics relevant to the United States and fleshed them out with data sources that are available in the United States but not elsewhere. The book also explores additional, related areas.

Dell commissioned me to write the book not just to provide insights into how women can plow ahead, but to shed light on what additional support is needed. While the United States ranked #1 in conditions for women entrepreneurship, there is plenty of room for improvement. U.S. policy makers, the financing community, the media, support organizations and large corporations can use this book to determine what they can do to foster conditions that allow more women to start and grow high-potential companies.

That said, we need to move from fixing and educating women to fixing the ecosystem and inherent (yet mostly unintended) bias that holds women back, said Allyson McDonald, president of 85 Broads, a women’s networking organization.

Other countries looking to encourage women to start and scale companies can use the book to determine what the United States does that might be a fit for them. No one size fits all when it comes to creating a vibrant entrepreneurial ecosystem for women.

The Centered Leadership model suggests that women with missions, with drive and grit and enough hope and courage, can counter the fears that stand in our way of taking risk, said Barsh. “Once women get in touch with their core strengths and find their purpose, they generate that hope and courage. Then watch out!”

Throughout the book, you'll see references to women-owned, women-led and woman entrepreneur. When the term women-owned is used, it refers to companies that are at least 51% owned by women. The definition of women-led can mean that the CEO of the company is a woman or that a woman is on the leadership team. Ownership of a company becomes diluted when you raise money from equity investors. Over time, that ownership level may dip below 51%. Women-led is used when talking about companies that have equity investors. Woman entrepreneur is a general, all-encompassing term.

Whatever term applies, women aspire to found, lead and build high-potential companies. Their companies contribute much to the economy and could contribute much more. I hope this book inspires the needed changes to mindsets and social norms.

# Erika Bliss



Erika Bliss has a cure for the ailing healthcare system.

The cost of healthcare insurance is soaring, yet quality primary care is decreasing as doctors are forced to spend less time with their patients. They need to see more and more patients in order to be profitable. When systems are broken, entrepreneurs step in to fix them.

Some doctors began concierge practices for wealthy people who could afford to spend \$1,000 a month. These doctors provided unlimited services to about 50 patients. Primary care physician Garrison Bliss wanted to serve everybody. In 2007, he launched Qliance in Seattle. Doctors would handle no more than 800-1,000 patients, about one-third the number he handled when he accepted insurance. He was joined by his cousin Erika Bliss, who became CEO and president in 2011.

The model: instead of paying an insurance company to see your primary care physician, pay her directly. By eliminating the middleman, patients pay more on primary care but less on overall medical care because medical conditions are caught before they spiral out of control.

That may sound paradoxical — less money, more time — but it works. When primary care physicians spend more time with patients, they're less likely to refer patients for expensive diagnostics, specialist visits and other advanced care. Qliance is open to everyone, regardless of pre-existing conditions.

Research shows that when patients see their primary care physicians regularly, they have fewer emergency room visits, specialist visits, hospitalizations and surgeries. In 2009, Qliance patients experienced 65% fewer emergency room visits, 43% fewer hospitalization days, 66% fewer specialist referrals, 63% fewer advanced radiology visits and 82% fewer surgeries compared to local and regional benchmarks.

Qliance members pay a flat monthly fee that varies by age, for unlimited routine primary and preventive care and chronic-disease management, which address approximately 90% of the issues that prompt a visit to the doctor. This includes women's health services, pediatric care, and urgent care. Patients buy high-deductible health insurance to protect themselves from the cost of severe illnesses or accidents. Fees for those who are not insured through an employer range from \$59 to \$99 per month. Qliance also works with employers and has preliminary evidence that it can save corporations between 10% and 30% on healthcare costs for their employees.

"That's when the country realized we have a huge problem here and healthcare is going to eat us alive unless we do something."

Many were skeptical in the beginning, including insurance companies and even organized medicine, until the financial crisis hit and the Affordable Care Act was passed. Now organizations such as the American Academy of Family Physicians are getting on board, and innovative insurance companies are experimenting with wrap-around coverage for specialty and inpatient care to complement direct primary care.

"The recession was so deep and so transformational for this country," said Bliss, CEO of Qliance. "That's when the country realized we have a huge problem here and healthcare is going to eat us alive unless we do something." The threat of overwhelming costs has made people more open to alternative models.

Despite the fact that healthcare business models don't have the exponential growth that tech startups do, some big-name investors — including Michael Dell (through MSD Capital, his investment firm) and Jeff Bezos (through Bezos Expeditions, his

investment firm) — anted up in 2009. They understood how transformational and disruptive this simple, practical model could be. Qliance has raised over \$30 million since 2007, with Cambia Health Solutions leading the most recent round of funding. Its portfolio of companies includes health insurance plans under the Blue Shield brand. Yes, insurance companies are now getting it.

Qliance has partnered with more than 200 employers, Medicaid managed care and the Washington Health Benefits Exchange, and serves more than 32,000 patients at five locations in the Seattle area. Qliance also recently opened a medical center in Expedia's headquarters in Bellevue, Washington, which may become the prototype for other onsite medical centers. Qliance plans to expand beyond Washington state in the coming years.

Age when starting company:

46

Experience:

Nonprofit fundraiser, doctor

Year started company:

2007

Industry:

Healthcare services

Location:

Seattle, WA

Number of Employees:

80

Revenue:

Not disclosed

Funding:

Raised money from angel investors to start the business; has raised \$32 million from angel investors and venture capitalists

# Mandy Cabot



Doing well by doing good turns Mandy Cabot's shoe business into big business.

Women love to share. Mandy Cabot is no different. For her it was the closed-back clogs that she and her husband, Peter Kjellerup, discovered in Denmark. The clogs were unavailable in the United States nearly 25 years ago.

Successful horse trainers, Cabot and Kjellerup started selling the clogs out of the back of their station wagon at equestrian events. Their vision for the company wasn't to be big or a household name. Instead, it was much more all-encompassing, taking into account all the people involved, not just the profit. Their vision was to be their stakeholders' FAVORITE shoe company:

- Not the only shoes in our customer's closet, but her favorites;
- Not the only brand our retailers would ever buy, but the most trusted;
- Not the only employer our employees would ever work for, but the most rewarding;
- Not the only company that gives back to the communities that it's a part of, but one that serves to inspire others.

That vision, of being their stakeholders' favorite, provided a solid foundation from which to grow their company. Today Danskø is a known market leader in innovative comfort footwear, offering a wide range of sandals, boots, heels and flats and many, many types of clogs.

Cabot considers herself a hard-wired entrepreneur. She has never worked for anyone else. She had many entrepreneurial role models, both male and female, in her family and in the community at large.

Her experience running an equestrian center gave her basic training in entrepreneurship. The center gave her experience importing merchandise, running a small specialty shop and being customer-centric, the skills she

needed to start Dansko. As Dansko grew, Cabot began to focus exclusively on it while her husband focused on the horse business. When she needed advice, she had a personal network to brainstorm with: her husband, her accountant, two sisters and dad, in that order.

Her support system worked fine in the early days when the company was in what Cabot refers to as the Mom-and-Pop stage. However, to thrive as a high growth company, she needed seasoned industry professionals, so she hired them. They have become her trusted sounding board for thinking through growth tactics. They help with planning and forecasting, measuring and modelling.

“Doing the right thing” isn’t just a saying, it’s a credo that Dansko lives by. As a triple-bottom-line company, it doesn’t focus only on making profits. It values fair treatment of its employees, customers and neighbors as well as taking care of the planet. It is a founding B Corp, a certification that the company upholds certain social and environmental standards. It operates out of two LEED Gold certified campuses, designed and built by Kjellerup in Chester County, Pennsylvania. In 2012, Cabot and Kjellerup redeemed all of their shares in Dansko to form an ESOP (Employee Stock Ownership Plan), resulting in 100% employee ownership. All of these initiatives underscore the couple’s vision for long-term sustainability.

Cabot follows the same credo of “doing good” in her personal life. She serves on the boards of the Dansko Foundation (ex officio), the Two Ten Footwear Foundation (helping families in the footwear community with financial, social

“Doing the right thing’ isn’t just a saying, it’s a credo that Dansko lives by.”

Age when starting company:

36

Experience:

Serial entrepreneur

Year started company:

1990

Industry:

Shoe business

Location:

Chester County, PA

Number of Employees:

175

Revenue:

\$150 million

Funding

Proceeds from sales of a horse to start the business

and educational support), the YMCA of the Brandywine Valley and the Virginia Wellington Cabot Foundation.

Dansko's list of honors include the Inc. 500 List of Fastest Growing Private Companies, the Philadelphia Inquirer's Top Workplaces List, the Paradigm Award from the Chester County Development Council, the Leadership Award from the Delaware Valley Green Building Council and the Triple Bottom Line Award from the Social Business Network of Greater Philadelphia. Dansko is also a multi-time winner of the Footwear Plus Awards for Design Excellence in Women's Comfort, Corporate Goodwill and Best Customer Service.

# Luan Cox



Photo courtesy of Rick Gilbert/  
Springboard Enterprises

Luan Cox's  
Crowdnetic is the  
Dow Jones of  
crowdfinancing.

Luan Cox understood the potential of crowdfunding the moment she heard about it in 2009. Crowdfunding allows organizations and individuals to use the power of social media and the internet to fund their projects via websites — such as Indiegogo, Kickstarter and RocketHub — that coordinate the transaction.

Cox was a founder and general manager of Interactive Data's Managed Solutions business in the Americas (IDMS), which innovated systems to aggregate financial market data. After Interactive Data was sold, she knew she wanted to start something in the crowdfunding sector. In 2011, she teamed up with Srikanth Goteti with whom she co-founded IDMS. She had sales and product development covered; he had the technology skills.

Initially, Crowdnetic built its own niche crowdfunding sites but Cox, who also had been an executive at Stockpoint and Quote.com in Silicon Valley, recognized the opportunity to provide the much needed infrastructure for entrepreneurs and investors taking advantage of the JOBS Act, a law that eased various securities regulations for private companies trying to raise money.

The JOBS Act passed in April 2012, but the rules and guidelines are still being phased in as the details are worked out. Title II passed in September 2013. It allows entrepreneurs who need equity financing to advertise to a "crowd" that they are looking for money while only being allowed to accept investments from accredited investors.

For cash-starved emerging businesses, this could be a boon. For individuals (only accredited investors at this time) and professional investors, this is an opportunity to fuel the American Dream, and

potentially make a lot of money if the company is a success. Of course, you could lose your money if the company fails — but then, isn't that true of all investments? (Accredited investors have a net worth, excluding their homes, of at least \$1 million or an annual salary of at least \$200,000 if single and \$300,000 if a couple.) As soon as the SEC implements its proposed Title III rules, unaccredited investors will also be able to invest in companies.

Nothing could dampen the promise of the JOBS Act more than making it difficult to find and analyze information on these opportunities. Investors need a one-stop place to source and compare Private Issuers Publicly Raising (PIPR), and PIPRs need data to benchmark themselves.

Yet big companies have been ignoring the opportunity. "The big firms aren't nimble enough to take advantage of opportunities in fledgling industries," said Cox. "They look to partner with startups that they can help nurture with expertise and money."

"[Big firms] look to partner with startups that they can help nurture with expertise and money."

"Crowdfunding" includes both online lending and equity investments. Crowdnetic began aggregating data from equity crowdfunding sites in September 2013. It includes data from AngelList, Crowdfunder, EarlyShares, EquityNet and WeFunder. The data is available on Dow Jones' MarketWatch.

In late spring 2014, Crowdnetic will launch Lendvicious.com, a comprehensive information and real-time data site for all things peer lending. The site will aggregate and normalize

data from leading global peer-lending sites such as LendingClub and Prosper.

Even before Title II was passed, other alternative online financing options were building momentum. Peer-to-peer and peer-to-businesses lending — as opposed to equity investing — allow individuals and businesses to directly lend to each other via websites without going through a traditional financial intermediary, such as a bank.

In 2013, Crowdnetic acquired NowStreet Media, which added media and event capabilities such as LendIt, the premier global peer-lending conference producer (in which Crowdnetic owns an interest).

Age when starting company:

40

Experience:

Serial entrepreneur

Year started company:

2011

Industry:

Financial IT services

Location:

New York, NY

Number of Employees:

10

Revenue:

\$1 million

Funding:

Used angel investments, money from friends and family, credit cards and family savings to start the business; has raised nearly \$2 million from angel investors

# Liz Elting



When 'lost in translation' is not an option, businesses call Liz Elting.

Liz Elting, Co-CEO TransPerfect, loves language. She lived, studied and worked abroad. She worked in one of the largest translation companies at that time on the production and sales sides before heading to graduate school. She thought translation could be done better. The seed for a business had been planted.

Starting a business wasn't part of the game plan when Elting went to New York University Stern School of Business for her MBA. The '90s was a time when most MBA graduates went into investment banking. She did, too, for a brief period. However, when she realized that investment banking wasn't for her, she decided to start a company with her then-boyfriend, Phil Shawe, whom she met at NYU. (Both are now happily married to other people.)

Entrepreneurship was a big leap for Elting, but she had been raised by parents who valued hard work; her father was the president of a prominent ad agency and she was able to witness his success in the corporate world firsthand. She had participated in Entrepreneurs Exchange, an extracurricular activity at NYU, but had taken no classes in entrepreneurship. "We were young and didn't have a lot to lose," said Elting. "We didn't have big expenses."

So leap Elting did. In 1992, she and Shawe founded TransPerfect. He was still in school at the time but they wanted to capitalize on the increasingly integrated global economy. Early on, Elting and Shawe envisioned being the premier language-services provider, with an office in every major city in the world.

Elting and Shawe used many strategies to move from leap into the unknown to the world's largest privately-held language service provider, with \$402 million in revenue and 3,000 employees. Surprisingly, the

one strategy they didn't use was outside funding. They grew organically, by reinvesting profits in their company. "Revenue is vanity, profit is sanity," said Elting. They did start a separate company at the height of the dot-com bubble. That company had outside investors but Elting and Shawe have since bought out the investors and merged the company with TransPerfect.

The company's growth strategy is pretty simple: grow the business through repeat customers who are delighted by TransPerfect's service. Sometimes that requires buying companies that provide complementary services — over the years TransPerfect has purchased 20 companies. Other times, it means opening new offices; it has 85 throughout the world.

Over the years, TransPerfect and its founders have won numerous awards, including Blue Chip winner of SmartCEO Future 50 Awards, Crain's New York Business' List of Privately Held Companies, Deloitte's Technology Fast 500, EY's Entrepreneurs of the Year, Inc., Hire Power Awards, Inc.'s List of America's Fastest-Growing Companies — The Inc. 500/5000, Women Presidents' Organization 50 Fastest Growing Women-Owned/Led Companies in North America and Working Woman Award for Excellence in Client Service.

The language-translation industry grew to \$35 billion by 2013, according to Common Sense Advisory, a language-services research firm. TransPerfect's goal is to be the #1 translation company in the world with \$1 billion in sales. In an increasingly commoditized industry that may sound grandiose, but top-notch customer service, deep industry expertise and just the right

TransPerfect's goal is to be the #1 translation company in the world with \$1 billion in sales.

Age when starting company:

26

Experience:

MBA from New York University Stern School of Business and a few years in the corporate world

Year started company:

1992

Industry:

Language translation

Location:

New York, NY

Number of Employees:

3,000

Revenue:

\$402 million

Funding

Personal savings and credit cards to start the business

combination of machine speed and human touch makes that goal realistic. When you're doing branded, high-risk and legal content for the government and Fortune 1000 companies, you need subject-matter expertise and industry-specific services.

# Kara Goldin



## How Kara Goldin quenches her own thirst and yours.

Many entrepreneurs scratch their own itch when they start their companies. They have a need — which often means others have the same need — but no product on the market to fill that need. Such was the case for Kara Goldin.

After her third child was born, she was having trouble losing the weight she'd gained. "I had been drinking Diet Coke for 20 years," said Goldin. "I thought I was healthy because I was watching my calories. Yet I just didn't feel good."

Goldin went on a rampage and tossed out everything in her pantry containing ingredients that didn't seem healthy, including all that Diet Coke.

Despite knowing the benefits of plain water, Goldin didn't drink much of it because the taste was too bland. So she started cutting fruit and throwing it into pitchers of water. It added flavor and sweetness. Mmm...that was good. Her kids and friends liked the result, too.

She checked out market shelves to find something similar, but she couldn't find anything that didn't have artificial coloring or sweetener. Before deciding to produce a beverage herself, she called Coca-Cola with her idea. The executive on the other end of the phone just laughed and said "Sweetie, no one is going to buy a drink without sweetener."

The rest, as they say, is history. The beverage Goldin created, hint, is in more than 20,000 stores in the United States and Canada and can be purchased online through Amazon. Hint, Inc. is on track to reach \$50 million in sales at the end 2014.

Interestingly, high growth wasn't Goldin's initial objective for the company.

"I thought I was healthy because I was watching my calories. Yet I just didn't feel good."

It was more of a lifestyle business that would allow her to balance home and work. She self-funded. Since then, she's raised \$17 million from investors, including singer John Legend.

High growth is in Goldin's blood. She was hired as employee number 70-something at AOL. By 2001, Goldin was managing 200 employees and AOL's billion-dollar e-commerce business. Just as AOL was a disruptive force, she wants hint to be one. Goldin wants to get more people drinking more water, especially pregnant women and people with diabetes, cancer and Crohn's disease.

When you think of water, you may not think subscription delivery, but many of hint's customers drink four to five bottles a day and prefer to be out socializing or exercising rather than shopping for groceries, so subscriptions make sense. Hint's ecommerce revenues via Amazon have been growing rapidly. Another revenue stream comes from corporations that stock their refrigerators with hint. Google, Facebook, LinkedIn, NextDoor and Square are among the technology companies that do. Hint is also expanding into schools and grocery chains such as Safeway in the Bay Area and Publix in Florida.

Like all entrepreneurial companies, hint had challenges. One was the water's short shelf life, initially only three months. After some experimentation, Goldin discovered that flash pasteurizing the water gives it an 18-month shelf life, still with zero preservatives. Hint is working on extending its shelf life to two years.

An ongoing challenge is the fight for shelf

space. The big boys, such as Coca-Cola and PepsiCo, pay supermarkets to give them more shelf space in better locations. Hint's sales force regularly visits markets, such as Whole Foods, to ensure that the product is on store shelves.

Like all entrepreneurs, Goldin has the ability to turn challenges into opportunities. It's paid off. In addition to a company where sales are growing by leaps and bounds, Goldin is receiving other recognition. She was named one of Fortune's Most Powerful Women Entrepreneurs as well as one of EY's Entrepreneurial Winning Women in 2012.

Age when starting company:

38

Experience:

Corporate executive

Year started company:

2005

Industry:

Beverage

Location:

San Francisco, CA

Number of Employees:

32

Revenue:

\$50+ million projected in 2014

Startup funding:

Used angel investments, a loan, credit card and personal saving to the start the business; has raised \$17 million from angel and corporate investors, and venture capitalists

# Lili Hall



When opportunity  
**KNOCKS**, Lili Hall  
answers.

Lili Hall's passion for entrepreneurship is as much a family legacy as it is a calling. Hall's father was an entrepreneur, so her childhood gave her an intimate knowledge of the challenges that an independent businessperson faces. It resulted in an ability to embrace risk, anticipate change and seize opportunities, knowing that the good ones don't come by often. It also resulted in Hall's founding of KNOCK — and persevering through the tenuous economic times that followed. "Just weeks after I founded my business, 9/11 happened. People thought I was nuts to stick it out," said Hall. "But I knew in my gut — it was time. I just focused on bringing clients in."

The start-up design firm soon landed Target and other notable businesses as clients. Hall had proved to her sharpest critic — herself — that she had the right stuff. Since then, KNOCK has evolved into to a full-service creative agency providing advertising, branding, digital and strategy.

Hall's goals for KNOCK aren't simply revenue or profit numbers. "For us, it's about having the right clients, the right business and the people who value our services," Hall said. "Do they believe that we can impact their business and their bottom line? It's about building a long-term relationship, even if it means sacrificing short-term profits."

Up until she founded KNOCK, Hall had worked with retail clients for companies such as Adidas and B.U.M. Equipment. Recruited to work at a boutique ad agency, Hall moved into a leadership position doing business development, and loved it. Then one of the agency's largest clients filed for bankruptcy.

"I didn't realize there was no cash flow, that [the agency] had debt and was essentially living client-to-client," said Hall. Half the staff was laid off,

but she was kept on. Hall began losing sleep when she realized that her next new-business pitch, even if successful, still would not provide enough money to keep the agency solvent. Hall decided to leave.

She freelanced and journaled about her business experiences, both good and bad. From these reflections, an idea for a different kind of agency emerged. Many agencies focus on winning awards, and arrogantly believe they know more than their client. That didn't ring true for Hall. "Clients know their business better than we do," said Hall. "Why aren't we working closer with them to understand their business?"

Hall realized that it was not just that ad agencies didn't collaborate with their clients. Businesses also didn't foster collaboration internally. An "us against them" attitude prevailed, whether it was creatives versus account people at the agency or sales versus marketing at Adidas. Since the early days of KNOCK's existence, Hall has insisted that everyone internally collaborates closely — a style much more prevalent now, but revolutionary at the time.

Hall also observed that agencies didn't necessarily put the best person for the job on a project, simply assigning whomever was available. Hall assembled a dream team of freelancers with a broad range of experience, expertise and backgrounds so she could always attach the most appropriate person to her agency projects.

Having seen firsthand what happens when you don't watch cash flow, Hall leaned on her accountant, Howard Gamer of PBG Chicago, to understand her company's

"For us, it's about having the right clients, the right business and the people who value our services."

Age when starting company:

36

Experience:

Corporate and advertising agency

Year started company:

2001

Industry:

Ad agency, marketing and research

Location:

Minneapolis, MN

Number of Employees:

50+

Revenue:

\$29 million in 2013

Startup funding:

Credit cards and personal savings to start the business

financials and projections. He's still the first of her go-to people for advice. As KNOCK has grown, Gamer has helped Hall craft financial arrangements that include strategic alliances, balancing equity shares, a percentage of sales or a licensing arrangement.

Gamer also recommended that Hall tap Stuart Friedman of Progressive Management Associates, who has a proprietary talent assessment tool (Myers-Briggs-like). By using the insights gained by this tool, Hall was able to recruit the right leadership for her business. "The tool was spot-on as to who was the right cultural fit for KNOCK, and who should be made a partner," commented Hall.

Hall has been selected for Entrepreneurial Winning Women, an executive leadership program that helps women scale their businesses, and a 2014 WBENC Star. KNOCK has won national and international creative awards, made the Inc. 5000 Fastest-Growing Companies list for multiple consecutive years and won DiversityBusiness.com's Top Business award, as well as Target Corporation's Partner Award of Excellence and other awards.

# Paula Long



Paula Long puts the power of big data in the hands of small to mid-sized companies.

Big data gets a lot of media attention, yet most people don't understand what the hubbub is all about. The big deal is that as much as 80% of data is unstructured, according to Gartner and IDC, companies that track technology trends. Imagine if you could easily and cost-efficiently store and analyze this data, such as documents, spreadsheets, emails, presentations, social media posts, videos and photos, to glean insights about customers, markets and products. With that insight, you could develop products that better meet the needs of customers and then market them more effectively.

Right now, big-data solutions operate in silos, segmenting storage, data security and intelligence into isolated applications. Making matters worse, current market solutions are complicated and expensive, so they're only practical for large companies. Such companies hire a data science team and then spend lots of money on software and hardware tools to develop algorithms and models to analyze their data. That's out of reach for most small to mid-sized companies.

Or at least that's what most people think. Paula Long of DataGravity in Nashua, New Hampshire, believes that storing, securing and analyzing data should operate together — and be made affordable, making it easier for companies to work with big data as a whole. Her confidence comes not from a magic wand that she waves at complex problems to come up with simple solutions but from her entrepreneurial instinct. She knows that a product should be built even though it has not been yet. "Has not" isn't the same as "can't" to an entrepreneur. If it should be built, then it probably can be.

Long always enjoyed problem solving using analytics and processes based on math and technology. After changing majors several times, she

decided — with encouragement from her father — to pursue a major in computer science.

She foresees that the creation of smart, intelligent storage will play a role in the big data evolution moving forward. “I envision [DataGravity] as being one of the major players, a multibillion company,” said Long.

Administrators and teachers in a K-12 public school district are beta testing DataGravity to get real-time information about students’ learning processes. This allows them to react in a timely way to the needs of individual students who may be having trouble. Another beta tester, a nonprofit that manages foster care and adoption services, is using DataGravity to show, in real time, when data doesn’t meet compliance requirements.

“Has not” isn’t the same as “can’t” to an entrepreneur. If it should be built, then it probably can be.

The company has major street creds — the backing of highly regarded VCs and Long’s own track record of scaling tech startups. Long previously co-founded storage provider EqualLogic, which was acquired by Dell for \$1.4 billion in 2008. She has held technical leadership positions in five technology startups, two of which she founded. In four of these companies, she participated in the A-Round or Pre-A stage. Her corporate experience includes buying, selling, failing to start and almost going public.

Her New Hampshire-based startup received \$12 million from Charles River and General Catalyst in its first round of financing. In its second round, the original investors reinvested and Andreessen Horowitz put in \$30 million. DataGravity also made the CRN list of Big Data 100 companies to watch in 2013. CRN reports on and analyzes the IT

industry.

Long has won multiple awards for entrepreneurship, including New Hampshire High Tech Council Entrepreneur of the Year Award, EY's 2008 Northeast Regional Entrepreneur of the Year, and was a national finalist for the same award.

Age when starting company:

50

Experience:

Corporate background and serial entrepreneur

Year started company:

2012

Industry:

IT Services

Location:

Nashua, NH

Number of Employees:

50

Revenue:

Product hasn't launched

Startup funding:

\$42 million venture capital

# Kourtney Ratliff



Kourtney Ratliff capitalizes on family opportunity to become an entrepreneur.

Being related to the boss has its advantages and disadvantages. First, the negative: you have to overcome the perception that you were given the job because you're related. Kourtney Ratliff, partner, Equity Division of Loop Capital Markets, worked hard to grow the business and in doing so overcame that perception.

On the positive side, you have a ringside view of the inner workings of the company at an early age. For a brief stint, Ratliff worked as an intern at Morgan Stanley in New York City when she won a Richard B. Fisher Scholarship. Other than that, Ratliff has always worked for her cousin, James Reynolds, Jr., CEO at Loop Capital. "I had the opportunity from a very young age to be in the room with CFOs, CEOs of Fortune 500 companies, mayors as well as governors," she said. Being an insider gave Loop the edge when Ratliff chose her career path after college. Other job offers didn't stand a chance.

When she was in high school, she got her first opportunity to work for her cousin. Despite an hour and half commute, Ratliff jumped at it: it paid \$10 per hour — more than twice the minimum wage at the time. While it was a far cry from her ultimate goal of being a bilingual pediatrician, it paid well. She became a Jane-of-all-trades: purchasing equipment, creating pitchbooks and putting together financial models.

Ratliff had gotten a taste for business and liked it. When she went to college, she majored in international finance and marketing with a minor in Spanish and business law, not science.

Her cousin started Loop Capital just under a year before Ratliff became an intern. Loop is now the largest minority-owned investment bank, brokerage and advisory firm in the country, and one of the largest that is privately held. It provides capital solutions for corporate, government and

institutional entities around the globe.

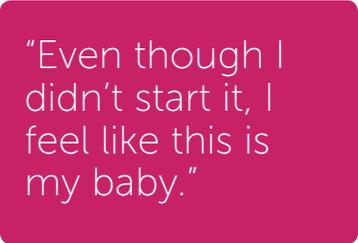
Loop Capital has always been strategic in starting or eliminating services. When making these decisions, its leaders ask themselves: will this differentiate us? Are our customers asking us to do this? Can we excel at doing this? Is this a growth area?

In the '90s, large investment banks didn't focus on doing corporate share repurchases for large companies. It wasn't as profitable as other services, so they only did it to accommodate clients. Loop made it a focus area. And that's how Loop got into the equity business.

Ratliff's analysis of Loop's research portion of the equity business showed it was losing money. It was up against the likes of Goldman Sachs, which was like being in the ring with Mike Tyson. "It just didn't make sense to stay in that business," she said. When Ratliff and the sales team asked where else Loop could provide value, clients told them at the point of trade — but that Loop needed better technology, competitive prices and better execution services

With that client insight and direction, Loop began to acquire and develop the best technology to assist clients with adding alpha at the point of trade. The technology was only half of the equation, however. After careful analysis it was determined that the current personnel was not the best team to accomplish what the firm needed, and Ratliff was asked to step in.

In the financial services industry, experience counts. Ratliff was only 24 at the time and Reynolds wanted her to take a more seasoned executive with her on pitches.



"Even though I didn't start it, I feel like this is my baby."

Age when starting company\*:

16

Experience:

MBA Northwestern University's Kellogg Graduate School of Management

Year started company:

1997

Industry:

Investment banking

Location:

Chicago, IL

Number of Employees:

200

Revenue:

\$80 million

Startup funding:

Personal savings to start the business\*

She leaned in and asked Reynolds to give her a shot. Full confession — tears were involved — but even Sheryl Sandberg has admitted to crying. Since that day, Ratliff's been managing the equity side of the business and its revenue has tripled in five years. Her accounts range in size from less than \$100 million to more than \$3 trillion in assets under management.

Ratliff also oversees all brand building efforts at Loop Capital and participates in decisions regarding firm-wide strategy and growth, including spearheading the firm's expansion into global markets. "Even though I didn't start it, I feel like this is my baby," said Ratliff.

\*Ratliff's cousin started the company. She joined as an intern before the company's first anniversary.

# Danae Ringelmann



Danae Ringelmann levels the financing playing field and creates an industry.

Who would have thought that an invitation to a “When Hollywood Meets Wall Street” event would be the inspiration for the first crowdfunding site? Danae Ringelmann was a 22-year-old investment banking analyst at JPMorgan and wanted to see how financing deals got made in the film industry. She expected to be a fly on the wall watching the power brokers of Wall Street interact with the power producers of Hollywood. Much to her surprise, the opposite happened. Ringelmann was among a sea of emerging artists all hoping to meet their next angel. She was the center of attention....all because she worked at a bank.

Ringelmann quickly realized that financing was broken when a seasoned filmmaker fedexed her a script with the note, “I look forward to you financing my next film.” “How could a man with a lifetime of experience be begging me — someone with no experience — for money?” she vented to her mother on the phone. “The system is not fair.” To which her mother responded, “Well, if you’re that upset about it, go do something about it.”

Ringelmann did as her mother said. She put on an event to raise money for a production of an off-Broadway play. Ringelmann packed the house and got rave reviews, but no money. If the elderly filmmaker taught her that the system was broken, the failed play showed her how. The actors and audience who wanted to see the play come to life lacked the power and mechanism to make it happen. Instead, they were completely reliant on an intermediary — a gatekeeper — for money.

So she made it her mission to “democratize access to capital.” She developed an idea to put the power of funding back into the hands of the people. Searching for feedback on her idea and an MBA program for herself, Ringelmann’s next step was to enroll at the Haas School of Business, University of California, Berkeley, known for its strong support of

“Well, if you’re that upset about it, go do something about it.”

social ventures.

Eric Schell, another student, overheard Ringelmann pitching her idea. He had worked at The House Theater Company in Chicago and understood the challenges of fundraising for the arts. Schell suggested they discuss the problem with Slava Rubin, who had lost his father to cancer and did fundraisers for cancer research.

Rubin suggested using the internet. The three agreed that the social nature of the internet would make funding online more robust, efficient and fair. However, back in 2006, “social network funding” was a novel concept, and the SEC laws had not changed to allow equity investing online, so this wasn’t a possibility.

The three came up with the idea that instead of offering equity to a few large investors, you could fund ideas by raising a small amount of money from a large number of people in exchange for something — perks — the same way PBS does when it raises money and includes a gift for each level of membership. While at Haas, Ringelmann presented the idea to her social venture class when venture investors attended as guests. Feedback from investors was that the idea had holes, but that the team was on to something.

In January 2008, Indiegogo launched its site with a perks-based model for the film and theater sector. But Ringelmann, Rubin and Schell soon realized that the fundraising problem wasn’t specific to film and theater. Entrepreneurs certainly knew the pain of fundraising. Growing up, Ringelmann had watched her parents apply for and fail to get loans to expand their 50-employee brick and mortar business.

Understanding that access to capital was a universal problem, Ringelmann and her partners opened Indiegogo to everyone.

Age when starting company:

28

Experience:

Investment banking

Year started company:

2007

Industry:

Financial services

Location:

San Francisco, CA

Number of Employees:

85

Revenue:

Not disclosed

Startup funding:

Used money from friends and family, credit cards and personal savings; has raised \$56.5 million from angel investors and venture capitalists

# Nina Vaca



Nina Vaca taking  
IT staffing to  
the pinnacle.

Nina Vaca is an immigrant from Ecuador whose parents often talked about how lucky they were to live in a country where anyone can start a business and achieve the American Dream. She saw firsthand the peaks and valleys of entrepreneurship, which included losing the family home. She used that experience to build one of the largest and most visible IT staffing businesses in the United States.

Pinnacle Technical Resources provides workforce, vendor management and IT solutions to Fortune 500 companies. Vaca is also a director of two publicly traded corporations: Comerica, Inc. and Kohl's Corporation. She was named an Obama Presidential Ambassador for Global Entrepreneurship. She is chairman emeritus of the board of the United States Hispanic Chamber of Commerce (USHCC) and a founding board member of the Startup America Partnership, which fosters the success of American startups. In 2013 Vaca, through the USHCC Foundation, launched "At The Table," a global initiative that works to empower women through mentorship and education, in an effort to create more women entrepreneurs and corporate leaders.

As a young girl, Vaca worked in her parents' travel agency. After her father was killed during a robbery, she and her older sister took over the business, prepped it for sale and sold it. Then she went off to college and graduated.

When Vaca saw how technology revolutionized her parent's travel agency business, she knew that somehow she would pursue technology as a career. "When I saw my first computer, it literally rocked my world," she said. "I saw so much future and so much promise."

Before starting Pinnacle from her apartment in 1996, she worked for

another IT firm. Five years into starting her business, Vaca realized that she wanted to move beyond a lifestyle business that allowed her to balance home and work. She wanted to be an empire builder. She wanted not only to build a business but to change the generational wealth in her family. Her sister, brother and husband work in various capacities within the company.

Under Vaca's leadership, Pinnacle has grown to \$201 million in annual revenue. In 2011, to complement the contingent labor services it provides, Pinnacle bought Provade, which provides software to manage contingent labor. The purchase took Pinnacle from being a domestic-staffing player to a global company providing both people and software, instantly making Pinnacle a major player in what Staffing Industry Analysts, an industry research firm, estimates as a \$3 trillion-plus a year worldwide contingent labor market. The company now does business in 40 countries, 12 languages, and 10 currencies.

"The Provade acquisition was a true 'lean in' moment for me — a moment in which I had to push through my fears and trust my intuition," said Vaca. "It took a leap of faith that branching out into the software space was the right next step for Pinnacle. Ultimately, it was the right move for the company's long-term growth and profitability, and a defining moment in my career trajectory."

Vaca knows what it's like to pivot: the 2001 dot-com bust hit Pinnacle hard. Vaca changed Pinnacle's business model. She started charging a fixed price per project rather than an hourly fee. The new pricing worked: Pinnacle grew dramatically over

"When I saw my first computer, it literally rocked my world. I saw so much future and so much promise."

Age when starting company:

25

Experience:

Sold her parents' business, brief stint in an IT staffing company

Year started company:

1996

Industry:

Workforce, vendor management and IT solutions

Location:

Dallas, TX

Number of Employees:

4,000+

Revenue:

\$201 million

Startup funding:

None

the course of the next six years.

Vaca's guiding principle is to provide value to customers by knowing what they need, delivering it on time and at the best price. Pinnacle does this with its proprietary, web-based staffing, payroll and vendor management solution called Progata, which it acquired with the purchase of Provade.

Pinnacle has received numerous honors: nine consecutive years on the Inc. 5000 list of fastest growing companies, seven years on the list of fastest-growing staffing firms, and inclusion on the Deloitte Technology Fast 500. Vaca herself was selected as one of 25 women honored by the National Women's History Museum in an online exhibit celebrating women entrepreneurs. She was also an EY Entrepreneur of the Year, United States Hispanic Chamber of Commerce Business Woman of the Year twice and one of Goldman Sach's 100 Most Intriguing Entrepreneurs twice.

# Networks fuel business growth

Networks — size matters, REALLY. So do people with influence in your network. Research shows that entrepreneurs with larger and more diverse networks grow bigger businesses. Yet, even though women are great communicators and collaborators, we don't excel at building power networks.

- Women tend to build deep and narrow networks. Men build wide and shallow ones.
- In general, women don't like to ask their network for favors whereas men have no problem doing so.
- The weaker ties built by casting a wider net are the greatest source of new ideas, information and opportunities.<sup>1</sup>

## Growing up with an entrepreneurial influence

### Know an Entrepreneur



.27

*Gender-Global Entrepreneurship and Development Index (GEDI) Research of High-Potential Women Entrepreneurs* tracks the importance of networks in two ways: "knowing other entrepreneurs" and networking using professional social media (specifically, the percentage of female LinkedIn profiles vs. the percentage of male per country). Knowing other entrepreneurs plays an important role in directly enhancing aspirations of women to start their own businesses, and supporting their growth by providing access to ideas, opportunities and resources.

Research finds that family dynamics impact entrepreneurial aspirations. We see it in the women profiled. Sixty percent came from homes in which one or both parents were longtime or serial small business owners. Erika Bliss of Qliance, Mandy Cabot of Dansko, Kara Goldin of Hint, Inc., Lili Hall of KNOCK, Danae Ringelmann of Indiegogo and Nina Vaca of Pinnacle had strong entrepreneurial influences while growing up. Interestingly, when asked to self-identify as an accidental, born or self-made entrepreneur, Cabot was the only one who said she was a born

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<sup>1</sup> Mark Granovetter, a sociologist and professor at Stanford University

entrepreneur. Bliss and Goldin identified themselves as accidental, and Hall, Ringelmann and Vaca as self-made.

Others had lighter influences, including Liz Elting of TransPerfect (her father had a brief stint as an entrepreneur) and Kourtney Ratliff, Loop Capital (a relative had a small business). Elting and Ratliff identified themselves as self-made entrepreneurs.

Luan Cox of Crowdnetic and Paula Long of DataGravity had no entrepreneurial influences growing up. Cox identified as a born entrepreneur and Long as a self-made entrepreneur.

## How high-growth women entrepreneurs network

### LinkedIn Profiles



.47

*Gender-GEDI* measures the percentage of women who have LinkedIn profiles as a reflection of the size of an entrepreneur's network. In the United States, women are now the power-users of the internet, mobile and, with the exception of LinkedIn, social media. In this chapter we will dive into how knowing entrepreneurs and networking impacts entrepreneurship. We'll do it from the perspective of entrepreneurs and expert networkers.

"Tell me who your friends are and I'll tell you who you are," said Nina Vaca of Pinnacle. So she's pretty choosy about the company she keeps, and so are the other entrepreneurs interviewed.

No one size fits all when it comes to networking. Some are out and about on a regular basis, others network in moderation. None were shy about asking for what they needed, whether that was connections to prospective customers, advisory board members or investors. However, these 10 women shared several networking strategies in common:

- large and diverse networks that include not just business people but media, politicians and regulators
- purposefulness in using their networks
- a preference for strategically attending conferences as opposed to networking events

Personality, desire for female camaraderie, interest areas — social

responsibility is a hot button for several women — and industry play into how each entrepreneur shapes her approach to networking. They make use of chambers of commerce, college alumni groups, the nonprofit boards they serve on, peer advisory groups (a.k.a. CEO roundtable and mastermind groups), social responsibility associations, trade organizations and women’s groups. They also build relationships with clients and attend charity events.

## LinkedIn, an underused resource for women entrepreneurs

Despite the fact that women are more avid users of the internet and social media than men, they are less likely to use LinkedIn. Some, like Ratliff, far prefer making the ask by phone or better yet in person. But others find LinkedIn a valuable networking tool.

“Women are underestimating the potential of this powerful tool,” said Marc Halpert, Connect2Collaborate, a LinkedIn coaching firm. “LinkedIn, unlike other social media, is about telling the story of WHY ME to a business-oriented reader... Properly leveraged, it can appeal to new or repeat customers, source employees, form powerful alliances, enhance communication and increase revenue.”

Some women are LinkedIn power-users. Hall loves LinkedIn and turns to it as soon as she needs help. Having a good reputation on the platform helps get quick responses to those needs, she said. Cox concurs. She started using LinkedIn when it first came out and hasn’t stopped relying on it.

## Why women are involved in gender-specific organizations

Research finds that similarity breeds connection. Gender is certainly one of the ways people relate to each other. The greater challenges women face in the business world bond them to each other and make them want to help each other. Most of the women profiled are involved with women’s groups.

Ringelmann recounted how she was invited to attend a meeting with her cofounder, Slava Rubin, only to be turned away at the door because she is a woman. Slava, lucky man, got in. “The only reason the event is men-only is because a few older members are uncomfortable speaking candidly around women” was the excuse Ringelmann was given.” Only other

women can understand the challenges I face,” said Cox. “It really helps to get their perspective.”

“One of the biggest hurdles, I think, is self-doubt, and I think women probably suffer from that a heck of a lot more than men,” said Bliss. “Just meeting and seeing other women in very powerful positions reminds you that it’s possible and you can become that too,” she said. Women-owned businesses are making big strides in increasing their numbers. During the past decade, the growth in the number of women-owned firms with \$10 million or more in revenue has increased by 57%, a rate 47% faster than the rate of all \$10 million-plus firms and nearly twice the rate of growth of all women-owned firms. However, while women-owned firms represent 29% of all businesses, they only represent 6% of \$10 million-plus firms.

### Share of women-owned and all firms by revenue size class of firm

	Women-owned firms			All firms	
	# of firms	% of women-owned firms	% of all firms	# of firms	% of all firms
All firms (2013 estimates)					
<\$100,000	7,559,300	88%	34%	22,047,700	75%
\$100-\$249K	517,000	6%	18%	2,948,300	10%
\$250-\$499K	235,700	3%	15%	1,580,700	5%
\$500-\$999K	148,400	2%	13%	1,160,000	4%
\$1M+	156,800	2%	10%	1,554,000	5%
<b>Total</b>	<b>8,617,200</b>	<b>100%</b>	<b>29%</b>	<b>29,290,700</b>	<b>100%</b>
Within population of \$1M+ firms (2012 estimates)					
\$1-\$4.9M	125,100	82%	11%	1,136,600	74%
\$5-\$9.9M	15,100	10%	8%	184,100	12%
\$10M+	12,700	8%	6%	208,400	14%
<b>Total, \$1M+</b>	<b>152,900</b>	<b>100%</b>	<b>10%</b>	<b>1,529,100</b>	<b>100%</b>

Data for all firms as of 2013. Data among \$1M+ firms as of 2012. All numbers are estimates based on data from the US Census Bureau and appear in the *2013 State of Women-Owned Businesses* report and the *Growing Under the Radar* report, both published by American Express OPEN and authored by Womenable.

Women’s organizations the profiled women are a part of

- 85 Broads connects women across industries and generations to help each other be successful
- At the Table, an online and in-person networking community of Latina entrepreneurs, led by the United States Hispanic Chamber of Commerce Foundation
- Dell Women’s Entrepreneur Network (DWEN), a community of women entrepreneurs from more than 11 countries collaborating

to grow their businesses

- EY Entrepreneurial Winning Women, an executive leadership program that helps women scale their businesses
- Springboard Enterprises, an accelerator for women-led businesses seeking equity financing
- TheLi.st., a private membership community for women committed to helping each other advance
- Watermark, a community of high level executives who advocate for the advancement of women in the workplace
- WBENC and other organizations that certify women-owned businesses
- Women 2.0, a community of women starting or looking to start technology-based businesses

## Build skills, expand networks while doing good

Some women profiled credit their success to integrating nonprofit work into their lives. They find it rewarding to contribute to their communities, and serving on a nonprofit board also makes them more effective professionally, they've found.

Serving on nonprofit boards beefs up your leadership skills. Your experience on boards teaches you the value of having a range of perspectives in order to develop better solutions for your clients. Decision-making on a nonprofit board requires building consensus, a very different skill from influencing someone who reports to you. Learning how to work within a group of equals is particularly useful when the time comes for your business to form alliances and partnerships.

In your role as a business leader, you go with your strength and delegate others to take over in your weak areas. On a nonprofit board, you can join a committee outside your comfort zone, one that doesn't draw on your core expertise but can expand your skills and knowledge.

Service on a nonprofit board builds connections with peers, as a mentor or mentee, with role models and, yes, sometimes even leads to business relationships.

## Social responsibility is second nature to women entrepreneurs

When it comes to social responsibility, the attitude from women is "yes," according to *2013 U.S. Trust's Insights on Wealth and Worth*. Successful women are more likely than successful men to own a business so they

can pursue a personal passion and to make a positive impact on the world. These women are also far less likely than their male counterparts to take actions such as moving the company to another state, eliminating staff or reducing employee benefits in response to increased tax burden.

Cabot's Dansko is a triple-bottom-line company (profit, people and the planet).

Socially responsible organizations that the profiled women support

- B Lab, the organization that assesses and supports all certified B Corporations (a certification that the company upholds certain social and environmental standards)
- BALLE (Business Alliance for Local Living Economies), a business alliance of values-aligned entrepreneurs, business networks and local economy funders in North America
- Conscious Capitalism teaches companies that they can be more than just about making a profit. They can have a higher purpose
- The ESOP Association, which serves employee stock ownership plan (ESOP) companies and professionals
- Global Social Venture Competition, a global MBA student business plan competition for social ventures
- Social Venture Networks, a community for social entrepreneurs
- Sustainable Business Network

## A place to meet other entrepreneurs and solve problems

Mastermind, CEO roundtables and peer advisory groups bring entrepreneurs together to problem-solve and brainstorm their day-to-day challenges and opportunities under the guidance of a facilitator. Participating in these groups is an important way entrepreneurs meet and help each other. Research undertaken by one peer advisory organization, Vistage, found that the companies of people who participate in these groups outperformed those that didn't: a 12% increase in annual revenue during the economic downturn years of 2007-2012, compared with a 5% increase for businesses in general.

While some entrepreneurs interviewed had a hard time making time for these monthly sessions, other women found these groups are worth the investment.

Peer advisory groups the women profiled have joined

- Entrepreneurs' Organization (formerly Young Entrepreneurs' Organization)

- Women Presidents' Organization
- Young Presidents' Organization

## Women entrepreneurs are taking center stage

When you've invented an industry, such as crowdfunding, which Ringelmann pioneered with Indiegogo, evangelizing is required to educate and build the market globally. Ringelmann has spoken at conferences across North America, Europe, Asia and the Middle East. Cox is also an evangelist. Her focus is crowdfinancing. She speaks extensively. Cox also runs two industry conferences: one on peer-to-peer lending and the other on crowdfinancing. But all businesses benefit from visibility. Vaca does a lot of public speaking at high-profile events and college commencements. Others, such as Hall and Long, understand the benefits of public speaking and are expanding their use of it as a marketing tool.

## Expert advice on how to put your networking on steroids

Remember that old saying, "It's not what you know, but who you know?" Jane P. Newton, partner and wealth advisor at RegentAtlantic and the founder of the Wall Street Women Forum, couldn't agree more. "Just as the value of real estate depends on three main things — location, location, location — a woman's ability to succeed in business hinges on three main things — relationships, relationships, relationships."

"When entrepreneurs are able to share best practices, build business opportunities, explore expansion and access new resources — like capital, mentorship and technology — the likelihood of a business growing and becoming successful increases astronomically," said Ingrid Vanderveldt, entrepreneur-in-residence at Dell. "Your network is who you turn to when you know you don't have all the answers or you need expertise to back up your gut instincts," said Kelly Hoey, cofounder of the Women Innovate Mobile (WIM) Accelerator, an accelerator for female-led mobile startups. Both Kelly and Vanderveldt mentioned how important it is to have people who will tell you the truth and give critical feedback.

Hoey's favorite tools are a mix of the old and new — LinkedIn and a good rubber band around the stacks of business cards she collects.

Be strategic about what organizations you join. Athena Vongalis-Macrow, a researcher at Deakin University, Melbourne, Australia, outlines four things to look for in a professional networking group:

- who is in the group (people who have resources, information, and knowledge and are willing to share)
- how the network communicates (frequency and professionalism of interaction)
- the substance of the communication (does the network offer support that enables you to overcome difficulties)
- the level of people in the group (are movers and shakers part of the group)

"Generosity rules. Give first, receive second is the gold standard for building valuable relationships," said Judy Robinett, author of *How to Be a Power Connector: The 5-50-150 Rule*. "Focus on the 25 to 50 strategic relationships. You don't need a zillion friends who will never do anything and probably can't help you with your goals." In other words, you want the people who can and will help you.

"Women don't network — they make friends," Robinett quoted Madeleine Albright. Women tend to be great at bonding and nurturing long-term relationships, but lose sight of the end goal, according to Vanderveldt. They should learn from men, who tend to be more direct and transparent.

"Prune your network as needed," Robinett said. "Develop boundaries and start noticing yellow flags before red." "I've learned to say 'no,' which is hard because as a woman and 'master networker,' I'm supposed to be open to meeting everyone and/or accepting every invitation," said Hoey.

"Remember that your problem is someone else's opportunity," said Robinett. "You need funding and an investor needs to find a deal. Who needs your challenge?"

# Ingredients for creating more high-potential women entrepreneurs

“The positive economic impact of women businesses and leaders is undeniable,” said Allyson McDonald, president of 85 Broads, a women’s networking organization. “There is not just social benefit to supporting women – and minority-owned business – but a clear economic advantage.” Six million jobs would be created over five years if women entrepreneurs started with the same amount of capital as men, according to research by Babson College.

## Education lays the foundation

### Highly educated owners



The pool of available, educated women is one measure of entrepreneurial potential measured by *Gender-Global Entrepreneurship and Development Index (GEDI) Research of High-Potential Women Entrepreneurs*. Research has found that higher education confers several benefits. Entrepreneurs – both men and women – with higher-education degrees are better able to start and manage high-growth businesses. Higher education also opens up access to networks and networking opportunities that improve the chances for business success. The United States has a relatively high talent pool compared to other countries.

Even if you don’t get a business degree, a college education provides the foundation of analytical thinking needed to run a company. Among the women profiled, Luan Cox of Crowdnetic and Kara Goldin of Hint, Inc. have business degrees; Nina Vaca of Pinnacle minored in business and has a variety of business certifications; Paula Long of DataGravity has a non-business degree, but majored in computer science; Erika Bliss of Qliance, Mandy Cabot of Danskø and Lili Hall of KNOCK have advanced non-business degrees and Liz Elting of TransPerfect, Kourtney Ratliff of Loop Capital and Danae Ringelmann of Indiegogo have MBAs. The truth is

that education matters. Diversity of education matters too... It teaches you to see the world holistically, not just through a dollars and cents lens.

## Support and training for high growth companies

### SME Support and Training

1.00

The institutional variable 'SME (small to mid-sized companies) Support and Training' measures another important aspect for business skill development — the availability of support and training. *Gender-GEDI* examines whether SME training is equally available to men and women, is affordable and is culturally appropriate, among other things. It is a relative score to all 30 countries. Yes, the United States is among the top scoring countries, but it can do better. Anecdotal evidence suggests that women are far less likely to get involved in start-up events, accelerators and business plan competitions. It does not measure whether the training is appealing to women. There is a need for a variety of training and support from teaching to coding to providing access to money and markets, especially in the technology sector.

"From a public policy perspective, nurturing these firms is important because growth-oriented firms generate a larger number of jobs and create a larger economic impact," said Alicia Robb, senior fellow at the Kauffman Foundation, which advocates for and researches entrepreneurship.

"It's necessary to have targeted support for women business owners because 'gender blind,' 'one size fits all' programs and policies end up benefiting dominant population groups (such as men, native-born or certain religious groups) to the exclusion of under-served groups like women, immigrants, religious or other minorities," said Julie Weeks of Womenable, a research, program and policy development consultancy dedicated to improving women entrepreneurship. "It's been shown that women learn differently from men, preferring more inclusive and relational support versus transactional programming."

Research among Women's Business Centers — a national network of nearly 100 educational centers designed to assist women start and grow small businesses, overseen by the Small Business Administration — found some areas in which women are more comfortable learning in their own environment, according to Patricia Greene, chair of entrepreneurial

studies at Babson College and national academic director of Goldman Sachs 10,000 Small Businesses. "I do not think [women-specific training] should be the only approach. I think it should be a part of a portfolio of approaches."

Nonprofits have been the main source of support for aspiring women entrepreneurs. Corporations and their foundations are also stepping in to help. Dell and EY work with high-growth women entrepreneurs. American Express, United States Hispanic Chamber of Commerce Foundation and the Tory Burch Foundation – in conjunction with Goldman Sachs 10,000 Businesses – also provide support to women entrepreneurs.

Women are building out a robust ecosystem, but more is needed. Women-owned businesses have grown at faster rates during the past decade, but the funding ecosystem and support structure are still better for male business owners, according to McDonald. The result, she said, is that many women's businesses "stall before reaching the critical growth stages." "Expand the women's business centers to allow them to more effectively support growth-oriented businesses," said Weeks.

Support for high-potential women-led businesses

- *College student program*: The Women Innovating Now (WIN) Lab is a year-long residency program for women students at Babson College
- *Certification*: Women's Business Enterprise National Council (WBENC) and its regional affiliates
- *Leadership training focused on accessing equity finance*: Astia, AVINDÉ, digitalundivided, Double Digit Academy, NewMe Accelerator, RockHealth, Springboard Enterprises, Upstart Accelerator and Women Innovate Mobile (WIM)
- *Leadership training in general*: EY Entrepreneurial Winning Women
- *Networking*: 85 Broads and TheLi.st
- *Peer advisory groups (a.k.a. CEO roundtables or Mastermind)*: Women Presidents' Organization
- *Research*: *Gender-GEDI* commissioned by Dell, *The 2013 State of Women-Owned Businesses Report* commissioned by American Express OPEN and authored by Womenable
- *Training for women to become angels*: 37 Angels and Pipeline Fellowship train women to become angel investors
- *Women-led angel and venture capital funds*: 500 Women, 1315 Capital, Aligned Partners Capital Efficient Companies, Aspect Ventures, Astarte Ventures, Astia Angels, BELLE Capital, Broadway Angels, Canaan Partners, Cowboy Ventures, Double Bottom Line Venture Capital, Evolence India Life Science Fund United States,

ForeRunner, Golden Seeds, Illuminate Ventures, Kapor Capital, Launch Angels, Pipeline Fellowship, Springboard Fund, Starvest Partners, Texas Women’s Fund, Women’s Capital Connection, Women’s Venture Capital Fund and X Squared Angels

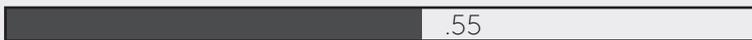
This list isn’t intended to be comprehensive. It is intended to give a sense of the diversity of organizations that are supporting high-potential women entrepreneurs.

“High potential women-led companies need the ecosystem of entrepreneurship built around them,” said Kay Koplovitz, cofounder and chairman of Springboard Enterprises, an accelerator for women-led businesses seeking equity financing. “This means advisors, investors, corporate champions and an A-team of talent.” Networking organizations — such as 85 Broads — that include corporate women, women angel investors and entrepreneurs provide an opportunity for women to meet other women outside their usual circle.

“It’s important that women seek out many different resources available to connect them to capital,” said Amy Millman, president of Springboard Enterprises. The women profiled have availed themselves of many of the resources provided.

## Women create companies that stand out in a competitive field

### Innovativeness



*Gender-GEDI* measures whether women are entering new markets or competing in existing crowded markets.

Ringelmann helped create an industry, crowdfunding, that now has hundreds of players. Indiegogo continues to play in an uncontested market space by being the largest, and only open and global platform.

The profiled women use a variety of strategies to differentiate themselves and create uncontested market spaces:

- innovative business models
- being a one-stop industry resource
- product quality (such as comfort, a healthier choice)
- size (global domination is an aspiration for several women)
- use of technology

However, their overall stand-out quality was being customer-centric.

## Women are reaching for the glass ceiling if they know they can

### Entrepreneurship ratio



### Gazelles



### Female leadership



*Gender-GEDI* measures the ability of women to be active and participate on par with men in economic activities. The first metric shows that, in general, women are catching up to men in starting businesses. The second metric, gazelles, measures companies that are growing quickly. This metric shows that women fall far behind in starting and running high-growth businesses. The third metric measures the percentage of female managers. These women are the talent pool for high-potential women entrepreneurs because they have the education, skills and experience to be successful. Also, the percentage of female managers provides a good indication of a country's overall acceptance of women in positions of leadership and decision-making.

In developing countries, women in particular often start businesses because they have few options for earning a living. They must start businesses in order to take care of their families. The United States falls behind many countries on Total Entrepreneurship Activity because women in the United States have more opportunities to support their families as employees, avoiding the risks of starting their own businesses.

Women fall behind their male counterparts in growing large opportunity-oriented businesses. While the number of women-owned firms with \$10 million or more in revenue is increasing, it is still less than it should be. Women own 29% of all businesses but only 6% of businesses with \$10 million plus in revenue, according to 2013 *State of Women-Owned Businesses Report* and *Growing Under the Radar*, both published by American Express OPEN and authored by Womenable.

## Certification opens access to corporate and government contracts

Access to markets is critical to all businesses. Having customers who spend billions on goods and services, such as the Fortune 1000 or government agencies, increases your chances for high growth. If the federal government is a customer, women-owned businesses are 23 times more likely to be million-dollar businesses, according to American Express OPEN research about government small business contracting.

“When women participate, economies grow. However, women are not yet at full participation in our economy or in the global economy,” said Barbara Kasoff, president of Women Impacting Public Policy (WIPP), a national organization educating and advocating on behalf of women-owned small businesses. Whether it’s corporate or local, state or federal government contracts, women are not yet at par. “Investment in programs can and does help provide the infrastructure, resources and tools that allow [women] to compete on more equal footing,” she continued.

“In 1998, women business leaders became aware that in order for women’s enterprises to grow, they have to have access to four resources: capital, new markets, education and advocacy,” said Marsha Firestone, Ph.D. and president of the Women Presidents’ Organization and Women Presidents’ Educational Organization. “One area where women-owned businesses have been left out substantially is access to new markets. Certification opens doors for women-owned enterprises by providing business development opportunities, especially within the private sector (Fortune 1000).”

“In New York City, we recognize how critical minority- and women-owned businesses are to our economy, as they create jobs and revitalize neighborhoods, and a top priority of the de Blasio administration is to ensure that these businesses are competing for and winning city contracts to help them grow,” said Maria Torres-Springer, commissioner of the NYC Department of Small Business Services.

It’s not just socially responsible, it’s good for the bottom line. “WBEs (women business enterprises) are agile, innovative problem-solvers, meeting corporations’ needs quickly, adapting to marketplace changes and providing deep value and cost-effectiveness,” said Pamela Prince-Eason, president and CEO of the Women’s Business Enterprise National Council (WBENC), a women’s business development and third-party certifier of businesses that are at least 51% owned and operated by a woman. “We live in diverse work. If we want to meet the needs of

all customer segments, sourcing products and services from those segments makes sense. Leveraging diverse suppliers allows Fortune 1000 companies to meet not just their needs better, but the needs of their customers," she continued.

"As consumers and influencers of the household buying decisions, women are adept at perceiving market gaps and opportunities," said Prince-Eason. Entrepreneurs start companies when they see a need in the marketplace that they can fill, whether it is creating a new product or service or targeting an underserved segment of the market. "Their growth often stems from responsive partnerships: they work overtime to ease the customers' pain points, deliver in timely and cost-effective ways and position themselves to meet their clients' future needs," she continued.

"Not only are over 80% of U.S. household purchasing decisions made by women, but women business owners are also a powerful buying force — of everything from office equipment, to transportation, to communications services," said Prince-Eason. "We know that building a [supplier] team with diverse backgrounds is a key enabler of innovation and, through innovation, we'll continue to transform our company," said Cyndi Hopkins, director of Global Supplier Diversity, Dell.

Women-owned businesses in the New York tri-state area certified by the Women Presidents' Educational Organization (WPEO, a regional affiliate of WBENC) saw a 221% growth in contracts in 2013. Firestone told Fox Business News that corporations are increasingly realizing that women-owned businesses make great partners.

Women like to make relationships with the brands they buy. "Utilizing female businesses increases brand loyalty and commitment to these women-supportive companies," said Firestone. They show their gratitude with their purchases.

Corporations like Dell really help when they engage the community of women business owners, by creating pipeline development programs, which educate women business owners about how to pitch and work with large companies, and by hosting networking opportunities, Prince-Eason noted.

"I wanted people to hire us [KNOCK] because we were the right agency, not because we were a women-owned business," said Hall. But a client asked her to become certified, so she did. Since then, she's become a huge proponent of certification, as is Vaca. You have to get to the table to be considered for a contract with a large company, and that's just not

happening for women-owned businesses. "Corporate America has a very large role to play in entrepreneurship," said Vaca.

- More Fortune 1000 companies need to recognize the importance of certification as a way to grow women-owned businesses, Hall continued.
- Women may no longer own 51% of their companies if they raise money from equity investors. That means they no longer qualify for certification. Goldin would like to see certification program qualifications change to allow for that situation.

Are you listening, corporate America?

# Financing: It is the best of times, it is the worst of times

Prosperous economies have steady streams of companies starting up and growing. Especially vital are the high-growth firms that market innovative technologies, products and business models. These are the businesses that equity financing funds. "Research shows that companies with equity capital typically grow at three times the pace of those that are only debt financed," said Cindy Padnos, founder and managing partner of Illuminate Ventures, an early stage venture capital firm focused on enterprise, cloud and mobile software. These high-growth companies create jobs, innovate, expand markets and are export-oriented.

## First tier financing



The importance of financing is tracked in two ways by *Gender-Global Entrepreneurship and Development Index (GEDI) Research of High-Potential Women Entrepreneurs*: first tier financing and third tier financing. First tier financing relates to debt capital and financial literacy. Developed countries, such as the United States, score relatively high in this category. Banks consider lending to startups risky and require personal guarantees, such as putting up a home as collateral. Loans play a relatively small role in funding high-potential companies. They would be more typically used later in a company's development, but are not used to fund the kind of exponential growth that equity financing funds.

Women use a variety of sources when starting high-growth companies. It is not unusual to use more than one form of funding to start a business. Savings is the most typical. A relatively small percentage of women entrepreneurs uses loans/lines of credit to start their businesses, according to the 2014 Women Presidents' Organization 50 Fastest Growing Women-Owned/Led Companies survey. These companies averaged \$98.7 million in revenue in 2013, and projected average number of employees for 2014 is 699.

- 58% started with their own funds

- 26% started with funds from friends and family
- 4% started with a bank loan
- 8% started with a line of credit
- 4% started with a credit card
- 4% started with private investors/angels
- 2% started with venture capital funds

Dell Innovators Credit Fund provides both equity and debt financing, which is unusual for a technology company. Usually, tech companies focus on equity only. But Ingrid Vanderveldt, Dell's entrepreneur-in-residence, had other ideas.

Dell will finance all IT infrastructure needs, both Dell and non-Dell products. As an entrepreneur herself, Vanderveldt understands how much equity means to a person starting a business. It's your baby. You want to keep as much equity in your company as possible, she said. She also knows how hard it is for startups to get loans and the hoops entrepreneurs have to go through to do so. She's changing that for some entrepreneurs who get financing through the Dell Innovators Credit Fund.

And debt financing has other benefits for entrepreneurs. "Debt is more tax-efficient than equity, because interest payments (on debt) are tax deductible, while dividends paid (on equity) are not tax deductible," said David Rudofsky of Rudofsky Associates, which does business planning, profit strategies and cost accounting for businesses of all sizes. "There are typically lower one-time legal and other professional fees in raising funds through debt vs. equity," he continued.

### Third tier financing

 1.00

*Gender-GEDI* also measures third tier financing, which is the accessibility of equity financing. Don't let the United States' 1.0 score fool you. Raising equity financing may be easier in the United States compared to other countries, but it is woefully inadequate. This measure lets us know how developed the capital market is, which is a baseline indicator for the availability of equity financing. Though comparative data is lacking, we know that there are huge funding gaps for women.

Venture capitalists are avidly looking for new companies to vet — but you may not even get a foot in the door if you don't look, sound and act like those doing the vetting. A whopping 80% of Series A funding from

the top five VCs in Silicon Valley went to people who looked just like the VCs: white men from prestigious universities with a proven track record and connections to power brokers, according to Reuters. This isn't to say these companies shouldn't be funded but, by limiting their search, VCs may be missing out on funding even better opportunities.

"Women are sitting across from men when they are asking for venture capital and, while we wish that venture capital were gender-blind, it is always easier to be sitting across from someone with whom you have something in common, even something as simple as gender," said Lori Hoberman, chair of the Emerging Company/Venture Capital Group, Chadbourne & Parke. "That small advantage tends to make it easier for male entrepreneurs, while feeding women's perception that it is harder for them to raise money."

Research confirms this bias toward men, according to studies conducted by the MIT Sloan School of Management, Harvard Business School and the Wharton School. Men were 30% to 40% more likely to want to invest in a proposed startup and to say the pitch was logical and convincing, if the person pitching the company was a man, said Fiona Murray, associate dean of innovation at MIT on Bloomberg TV. But the "company" was exactly the same! It was the same video, just a man rather than a woman doing the voice-over. This research pokes holes in the argument that women don't ask and their business ideas aren't as good as those of their male counterparts. They ask; they just don't get. And the investors may be losing out as much as the women.

"It's important to investors' performance that they're not missing these opportunities due to faulty pattern recognition," said Padnos.

## Women-led companies have the right stuff

Women start out with less but make as much or more than men. This could be seen as efficient use of capital. It can also be constricting the possibility of even greater growth.

"Women entrepreneurs are scaling businesses with 40% less capital raised than men," said Kay Koplovitz, cofounder and chairman of Springboard Enterprises, an accelerator for women-led businesses seeking equity financing. "While it might be impressive to build more capital-efficient companies, it is also important that women be able to compete effectively in the competitive market. If capital is a determining factor for high growth, then women need to access capital on a parity with men." Mounting evidence shows that women deliver results. Two research

reports find that women deliver better company performance:

- Venture-backed companies that include females as senior executives are more likely to succeed than companies with only men in charge, according to *Women at the Wheel: Do Female Executives Drive Start-Up Success?*, a report by Dow Jones VentureSource.
- VC firms that invest in women-led businesses perform better than VC firms that invest entirely in men-led businesses, according to the SBA Office of Advocacy.

Two research reports find that women are better money managers:

- Women-led private technology companies are more capital-efficient, achieving 35% higher return on investment and, when venture-backed, bringing in 12% higher revenue than male-owned tech companies, according to *Women in Technology: Evolving, Ready to Save the World*, research conducted by the Kauffman Foundation.
- The high-tech companies women build are more capital-efficient than the norm. The average venture-backed company run by a woman had achieved comparable early year revenue, using an average of one-third less committed capital, according to research conducted by Illuminate Ventures.

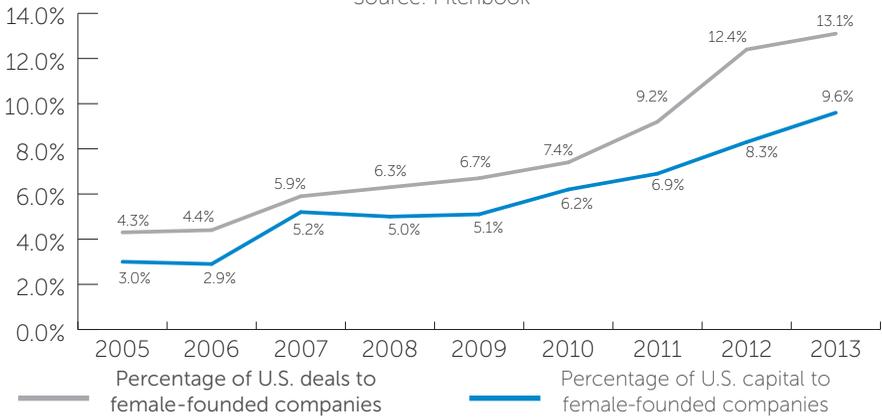
## Venture capital investment in women is poised to grow significantly

First the bad news: only 4% of the top 100 on the 2014 Forbes Midas List are women. The list measures best-performing venture capitalists. Women represent only 4% of senior partners in venture capital firms with portfolios of \$200 million or more, according to a Fortune analysis of data from Pitchbook, a venture capital research firm.

Now the good news: while the percentage of VC deals going to women-led businesses is small — only 13.1% in 2013 — that's a 6% increase since 2012, according to Pitchbook. The growth rate for the amount of money that changed hands in those deals was 16%. In other words, women are getting more deals and more money in each deal than they have before.

### Percentage of U.S. deals and capital to companies with a female founder

Source: Pitchbook



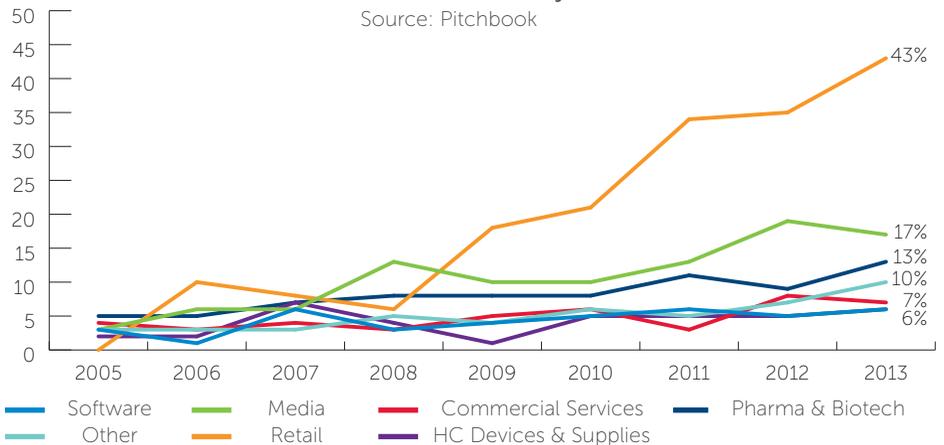
Venture capitalists invested \$35.84 billion in 2013. They invested in a variety of industries:

- Software: 32%
- Other: 29%
- Pharma & Biotech: 12%
- Healthcare Devices & Supplies: 9%
- Commercial Services: 9%
- Media: 5%
- Retail: 3%

Women raised the highest percentage of money in sectors that VCs are least likely to invest in – retail and media.

### Percentage of U.S. capital to companies with a woman founder by sector

Source: Pitchbook



The slow but steady rise in VC funding for women is only one reason for women to be optimistic. “We’re entering a golden age of the woman venture-investor,” said Trish Costello, founder and CEO of Portfolia, an equity crowdfunding site for consumer products. “Successful women VCs are starting venture firms at unprecedented levels. Women in angel groups doubled over the past year.” The list of women starting venture capital firms is impressive: Adele Oliva of 1315 Capital, Jodi Sherman Jahic and Susan Mason of Aligned Partners Capital Efficient Companies, Jennifer Fonstad and Theresia Gouw of Aspect Ventures, Tammi Jantzen and Tracy Warren of Astarte Ventures, Aileen Lee of Cowboy Ventures, Nancy Pfund and Cynthia Ringo of Double Bottom Line Venture Capital, Anula Jayasuriya of Evolence India Life Science Fund United States and Kristen Green and Eurie Kim of ForeRunner. Gouw is on the 2013 Forbes Midas list.

Launch Angels is another investment model that may help women. Launch Angels manages venture investment portfolios. These are mini-venture funds (\$500,000 to \$2 million) for approximately 10 to 20 individuals who invest in a portfolio of about 10 venture capital deals. The deals are typically offered via equity crowdfunding portals. One Launch Angel fund offers accredited investors the opportunity to invest in women-led businesses. This is the first fund focused on equity crowdfunding platforms for investments in women-led startups.

The significance: “Firms with women VCs are 70% more likely to invest in a women-led company than firms with no women partners,” said Koplovitz. That VC funding is important for more than just the dollar amount. The best VCs offer more than money: they also have experience in building companies, according to Padnos. As a result, VC-backed companies outperform all others — including those funded by friends, family or bank debt, which grow more slowly.

High-quality angels and venture capitalists provide expertise to the entrepreneurs they invest in, Padnos said, including financial advice and referrals to service providers, customers and distributors. They also can give the entrepreneur introductions and the credibility to recruit key personnel.

Those extras can be critical to a startup. As women entrepreneurs exit their businesses, they can become angels and VCs for the next generation of women, providing both money and expertise to women just starting up.

“[There] must be a much larger paradigm shift to leveling the playing

field and making venture investing gender blind," Hoberman said. "More women hired into venture funds, more women forming venture funds and more women entrepreneurs successfully exiting their businesses are what is necessary to achieve this."

It should be noted that more women are also thinking about launching their own private equity and hedge funds: 17% of women in the alternative investment industry in 2013 versus 14% in 2012, according to research conducted by Rothstein Kass, a provider of professional services to the financial industry.

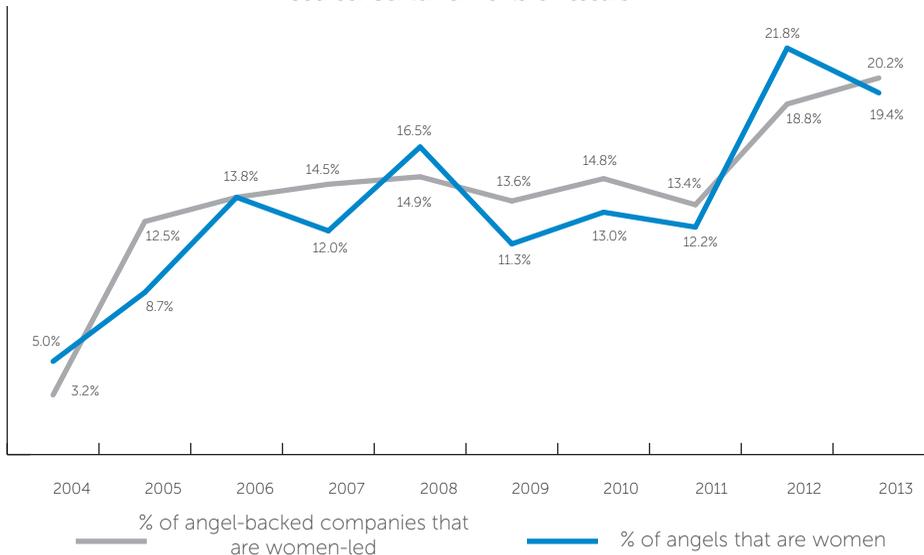
## Women and angel investors

Angel investing was strong in 2013, according to the Center for Venture Research. Overall investments rose 8.3% to \$24.8 billion. A record breaking number of entrepreneurs were funded, including a record breaking number of women-led companies. The percentage of angel-backed, women-led companies has been growing steadily over the past several years. It jumped 13.7% from 2012 to 2103.

The number of women angels decreased slightly. Women of wealth could play a significant role in funding women-led companies but are staying on the sidelines.

**% of angels that are women and % of angel-backed companies that are women-led**

Source: Center for Venture Research



Women angel investors may do more than crack the glass ceiling that prevents women from getting the capital they need. Women angels may fly right through it. Women are more likely than men to invest in women-led companies, and some will sit on the boards of the companies they invest in, according to the Kauffman Foundation, which researches and advocates on behalf of entrepreneurs.

## Women are not using the power of their portfolios

Women's increasing economic power is fundamentally changing the world, said Jackie Vanderbrug, senior vice president at U.S. Trust, on CNBC. "We call this broad trend womenomics." This trend may mean more women to invest in women-led businesses. Women control more than half of the investment wealth in the United States, according to Mary Quist-Newins, author of *Women and Money: Matters of Trust*. Additionally:

- The number of wealthy women in the United States is growing twice as fast as the number of wealthy men.
- Women represent more than 40% of all Americans with gross investable assets above \$600,000.
- 45% of American millionaires are women.
- 48% of estates worth more than \$5 million are controlled by women, compared with 35% controlled by men.
- 60% of high-net-worth women have earned their own fortunes.
- Some estimate that by 2030, women will control as much as two-thirds of the nation's wealth.

Women are better investors than the average man, according to LouAnn Lofton, author of *Warren Buffett Invests Like a Girl — And Why You Should, Too*. Women spend more time researching their investment choices, tend to take less risk than men do and hold on to their investments longer. Women are also more likely to seek out information that challenges their assumptions.

Women are also excellent investors professionally. Research by Rothstein Kass shows that 2013 marked the third year in a row that women-owned or managed hedge funds performed better than those run by men.

Yet 78% of women don't want to be actively involved in the investment process. "Women feel like they know less than the average investor, but men feel they know more than the average investor. Men lean into the investment conversation and women may tend to lean out of the conversation," said Michael Liersch, head of behavioral finance at Merrill

Lynch, on CNBC. He was citing *Women and Investing: A Behavioral Finance Perspective*, research he conducted. It's about confidence in your investing ability. Confidence can become overconfidence; caution can become timidity. What matters is how each person puts his or her natural tendencies to work in the pursuit of personally meaningful financial goals.

"We want to especially encourage women to put more 'skin in the game' with their wealth by becoming angel investors," said Ruta Aidis, project director of the *Gender Global Entrepreneurship and Development Index (GEDI)*. "Why? So that they can play a more active role in a business development beyond 'donating' funds."

If you're wealthy enough to be an accredited investor (a net worth, excluding your home, of at least \$1 million or an annual salary of at least \$200,000 if you are single and \$300,000 for a couple), angel investing in women-led companies can be financially savvy.

"The women angel networks themselves are getting the word out about the importance of women participating in the investment process and are doing a great job at welcoming new women into the investing community," said Susan Duffy, executive director, Center for Women's Leadership, Babson College. "Golden Seeds is a great example of investors as ambassadors. These women routinely participate on conference panels, speak in university classrooms and volunteer their time as mentors to both entrepreneurs and future investors."

More women angels are needed. Women make less than 15% of early stage investments, according to Lauren Flanagan, managing director of BELLE Capital, an angel fund focused on technology companies that have at least one woman in the c-suite. If they were to re-deploy a portion of the money they have in alternative investments, it would be a game changer for start-up, women-led companies.

If angel investing sounds intriguing, but you don't have the confidence to do it on your own, organizations such as 37 Angels and Pipeline Fellowship can help. Both train women to become angels.

If you're not wealthy enough to be an angel, crowdfunding may be for you. We'll explore this option in the next chapter.

## No one financial option fits all businesses

A variety of factors determines the type of funding that is right for starting

and growing high-potential companies. Most entrepreneurs choose a mix of funding options, which changes over time and varies by the sector they're in, the growth potential of their product and whether they need money to scale.

Getting a loan is not usually part of the mix for a high-growth, start-up company. Banks don't take on the kind of risk that scaling a business involves. Loans become more of an option as a business grows and develops a credit rating.

Equity investors care most about the quality of the team, your passion and your commitment.

Investors also invest in specific sectors. Venture capitalists target billion-dollar-plus industries. Some angels are okay with smaller industries. VCs want companies with the potential to be \$100 million companies. Some angels may be fine if you only grow to \$10 million.

All 10 companies profiled in this book are in huge industries. Dansko, Pinnacle and TransPerfect are already \$100 million-plus companies. Most of the others have the potential to be \$100 million-plus companies.

Some of the companies profiled didn't need outside financing to scale. Mandy Cabot of Dansko, Liz Elting of TransPerfect and Nina Vaca of Pinnacle fall into this category. Elting used personal savings and credit cards to start her company. Cabot funded Dansko's first "inventory" with \$7,500, proceeds from the sale of a young horse (her first, and at that time, concurrent, business). The horse farm, too, provided "the roof over our heads" for Dansko's first few years, she said. They all funded growth from profits. Elting used cash/earnout, which is part of the purchase price paid after closing based on the target company achieving certain financial goals. Vaca used equity in her company to purchase Provade, which is in 60 countries with more than one million users.

Lili Hall of KNOCK felt she limited her early trajectory by not taking outside capital. While others had faith in her ability, she doubted herself. It was okay to lose her own money, but not other peoples'. She funded her startup using her own bank account and credit cards. She continued to fund growth from savings and, for a period, didn't pay herself so she could plow more money back into the company to grow it. However, in the future she'll fund growth through venture capital and private equity. Similarly, Kourtney Ratliff's cousin, James Reynolds, Jr., used personal savings to start and grow Loop Capital. In the future he may tap the public equity markets to grow the company.

When you're creating an industry such as crowdfunding, "First they ignore you, then they laugh at you, then they fight you, then you win," Danae Ringelmann quotes Mahatma Gandhi. VCs like proof of concept. Ringelmann and her cofounders received about 90 nos. Now the money is flowing. They've raised \$56.5 million, including \$40 million in January 2014 in the largest venture investment for a crowdfunding platform.

Luan Cox of Crowdnetic and Paula Long of DataGravity are each creating a carveout in existing industries that are growing dramatically — crowdfinancing and big data, respectively. Long used her track record of building a \$1.4 billion company and her vision to merge existing segments (storage, data security and intelligence) of a growing but fractured market. She raised \$42 million before launching her product and foresees raising additional capital to scale the business. Cox used friends, family, angels, savings and credit cards to start her business. She raised nearly \$2 million from angels within the financial services and technology industries but in the future plans to seek venture capital.

Erika Bliss of Qliance and Kara Goldin of Hint, Inc. are targeting established industries that don't have the skyrocketing trajectory that technology has. Bliss is helping turn around an industry that everyone, including the government, wants fixed: healthcare. Qliance was started with money from angels and is funding current growth with angels and venture capital. Bliss expects to add corporate investors to that mix in the future. Finding funding for healthcare services, especially in the early stage, is more difficult than for the technology industry. You need more money, you have smaller profit margins and it takes longer to achieve scale. Bliss feels fortunate to have the right early stage investors who have stuck with her.

Goldin funded the company early on with everything from credit cards and savings to a bank loan and angels. At that time, she considered hers a lifestyle business, not a growth company. She is currently funding growth with a portfolio of tactics including angels, venture capital, corporate investors, loans and profits. For the future, she sees using a blend of loans, private equity and venture capital.

# Crowdfunding: A game-changer for women entrepreneurs

Crowdfunding pools money from a group of people via the internet and social media. It levels the playing field for anyone raising and investing money, but its impact may be the greatest on under-represented groups, such as women and minorities. "Crowdfunding will enable qualified entrepreneurs, both men and women — and particularly women — to raise capital from their community of historic relationships (i.e., people who know, respect and trust them) in a more efficient and transparent manner than previously available," said Douglas Ellenoff, partner, Ellenoff Grossman & Schole, a leading securities and crowdfunding law firm.

The global online crowdfunding industry was projected to have raised \$5.1 billion for small businesses, nonprofits and individuals in 2013, nearly double 2012, according to Massolution, a research firm that specializes in crowdfunding. By modifying the wealth requirements for private company investors, new laws (the JOBS Act<sup>1</sup> in the United States) are projected to create a \$300 billion market of potential new funding by 2025, according to the World Bank — nearly \$100 billion from crowdfunding investing.

"Crowdfunding is based less on the traditional metrics that a conventional financial institution uses and more on demonstrated appeal of products/ services to its potential clients," said Ruta Aidis, project director, *Gender-GEDI*. There are three forms of crowdfunding that small businesses can use:

- Lending-based crowdfunding: small businesses pitch their credit needs via online platforms, such as Lending Club and Prosper.
- Reward- or perk-based crowdfunding: funders receive a tangible item or service in return for their money. Some businesses pre-invoice customers, beta test products or raise money in exchange for a token gift. Websites, such as Indiegogo, Kickstarter and RocketHub, coordinate the transactions.
- Equity-based crowdfunding: investors receive a stake in the company. Currently only friends, family and accredited investors (a.k.a. wealthy people) in the United States can invest in a company for equity on websites, such as AngelList, Crowdfunder

and EarlyShares.

“Historically, only a tiny percentage (less than 1%) of new businesses in the United States have raised capital from venture capital. Crowdfunding, however, serves all 100%, both the 99% who gain access to capital through crowdfunding when locked out or not yet ready for venture capital, and the 1% who are now using gatekeeper-free crowdfunding — Indiegogo’s model — as a market testing mechanism even after they’ve raised venture funding,” said Danae Ringelmann of Indiegogo at Startup GRIND, a conference for entrepreneurs. Crowdfunding may just augment traditional venture capital, generating additional capital at the “friends and family” stage of funding that generally precedes VC investment, according to *Deloitte TMT Predictions 2013*.

Female entrepreneurs are increasingly looking to crowdfunding first — or as a replacement for — venture funding, said Ethan Mollick in a *Crain’s New York Business* article. Mollick is an assistant professor at the University of Pennsylvania’s Wharton School of Business. He studies gender and equality in entrepreneurship. A project led by a woman will do at least as well, if not better, than a similar project led by a man, Mollick suggests.

Women are power-users of the internet and social media. They are great communicators and collaborators — two skills necessary for a successful crowdfunding campaign. Crowdfunding provides a way for women to use their innate social expertise to raise money.

## Lending-based crowdfunding

Online lending sites use a wealth of non-traditional information about small businesses to reduce the risk of lending to them. In addition to the traditional credit scores, these lending companies apply financial algorithms to data from social networks, merchant accounts and online accounting programs. Lending Club and Prosper are peer-to-peer lending sites that connect lenders to borrowers online. Loans are not guaranteed, so there’s no recourse if the borrower defaults. These sites lend to small businesses with good credit ratings that want lower interest rates than banks charge.

Online alternative financing companies, such as Kabbage and OnDeck, specialize in loans to small businesses that don’t qualify for bank loans. They charge high interest rates for taking on that risk. These companies are not considered part of the crowdfunding space but are included here because they are in the mix of online lending options.

## Reward-based crowdfunding

Reward-based crowdfunding can be invaluable to a small business in need of a cash influx to grow, according to Brenda Bazan, cofounder of MoolaHoop, a crowdfunding platform for women business owners. It provides cash without incurring debt or giving away equity in the company.

It's not just about the money. "Crowdfunding is a great marketing tool and increases visibility for projects and/or companies," said Deborah Jackson, founder and CEO of Plum Alley, an e-commerce and crowdfunding platform for women entrepreneurs. "It allows one to test-market a product or concept, review suggestions and/or accept pre-orders. In addition, a successful crowdfunding project can increase a product's or company's appeal for future investors."

"[Reward-based] crowdfunding works best in the types of industries where women participate in higher proportions, such as consumer goods, fashion, retail, services and food," said Bazan.

Women are already having early success with crowdfunding. Of Indiegogo's campaigns that have reached their funding targets, 48% are run by women. That's nearly two and a half times the percentage of women-led companies that raise money through angels and nearly four times the percentage of women-led companies that raise money through venture capital.

Yet, even in crowdfunding, gender preferences persist. Investors are more likely to fund entrepreneurs of the same gender. That preference is stronger among men than women. Other gender based differences, which aren't as dramatic as they are in angel and venture investments: more male entrepreneurs were raising money, and they had higher funding goals than their female counterparts.

### Investment in entrepreneurs by gender

	Female entrepreneur	Male entrepreneur
Female investor	40%	60%
Male investor	23%	78%
<b>Total</b>	<b>30%</b>	<b>70%</b>

Source: *Gender Dynamics in Crowdfunding: Evidence on Entrepreneurs Investors & Deals from Kickstarter*, a study done by University of California Berkeley College of Engineering by Dan Marom, Alicia Robb and Orly Sade

“We believe Indiegogo’s open-model of [crowdfunding] could also unleash a different segment of our economy: the ‘long tail’ of local small businesses and franchises that are too small for professional investors to spend time on,” said Ringelmann in *The Wall Street Journal*. “We see indications of this on Indiegogo already. The amount of money pledged to small business campaigns on our perks-based platform has risen by more than 200% over the past year, and has helped restaurants, boutiques, massage parlors, theaters, gyms, bookstores, hobby businesses and more.”

## Equity crowdfunding

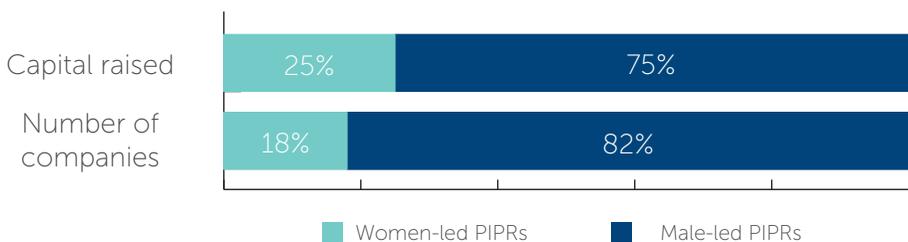
The potential for women to raise money from each other is enormous. Consumers currently spend \$12.5 trillion on goods and services. That number is projected to grow to \$18 trillion in the next five years, according to the Boston Consulting Group. Women control 80% of consumer spending. “Yet they’re largely overlooked as potential investors and market-makers,” said Portfolia founder and CEO Trish Costello. Portfolia wants women to become consumer-investors and connect directly to companies. This connection could leverage their buying power and social reach to move markets and accelerate growth.

Women’s interests and expertise are diverse, so they can be a source for funding for business-to-business companies as well as for business-to-consumer ventures.

Crowdnetic tracks online angel investments in the United States. It has found that 18% of these companies are women-led and have received 25% of the total capital committed since Title II of the JOBS Act<sup>1</sup> came into effect, according to Luan Cox, CEO of Crowdnetic.

### A comparison of active private issuers publicly raising (PIPRs) Sept. 23, 2013 - March 31, 2014

Source: Crowdnetic



The potential is far greater. The rules for Title III of the JOBS Act<sup>1</sup>, allowing unaccredited investors to invest in small business online, haven't been finalized. When they do, funding for small business may explode. Crowdfunding already gives eight million accredited investors in the United States the opportunity to support high-growth companies, according to Cox. Millions of non-accredited investors are waiting in the wings; half of that as yet untapped wealth is owned by women.

Retiring baby boomer women will adopt and then dominate crowdfunding, just as they have most social and ecommerce networks, predicts Lauren Flanagan, managing director of BELLE Capital USA LP. Women will make a huge impact on early-stage funding and open doors for women entrepreneurs. New products and services will come on the market that will make the world better for all of us.

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<sup>1</sup>On April 5, 2012, the Jumpstart Our Business Startups (JOBS) Act was signed into law by President Barack Obama. The Act requires the SEC to write rules and issue studies on capital formation, disclosure and registration requirements.

Title I: In response to a trend of declining IPOs over the past few decades, Congress created special rules for so-called "emerging growth companies" (EGCs) defined as companies with less than \$1 billion in revenues over the past fiscal year — whereby the companies would be exempt, or at least partially exempt, for a period of time from certain disclosures that were thought to deter companies from choosing to go public. Title I was implemented immediately upon signing of the JOBS Act.

Title II: On September 23, 2013, the SEC's new rules went into effect lifting the ban on the mass marketing of private securities offerings, and providing parameters as to how an issuer might verify the status of accredited investors.

Title III: SEC is still developing the rules to allow a company to raise up to \$1 million within a 12-month period from the general public (accredited and non-accredited investors) through a broker-dealer or "funding portal" website.

# Innovation and growth aren't just for technology companies

Technology-based businesses play a critical role in innovation, economic development and growth. Why are women creating far fewer of these critical technology companies than men? In part, it's because they are less likely to get STEM (science, technology, engineering and mathematics) degrees. Women also are frustrated by the "brogrammer" culture (sexist, alpha-male culture that can make women feel unwelcome, demeaned or even endangered) — and leave it.

Women leave technology companies at twice the rate as men, according to research conducted by the Harvard Business School. The reason: a hostile work environment. Research among female engineers, commissioned by the National Science Foundation and conducted by the University of Wisconsin-Milwaukee, came to a similar conclusion.

Just because the boys aren't playing nicely, let's not avoid or disappear from the playground. Let's develop toys that better meet the needs of the market. That would be the sweetest revenge. Examples of women starting successful technology companies should reassure aspiring tech entrepreneurs that women just like them have put the puzzle pieces together. And, best of all, funding streams are also opening up.

"Over the last 10 to 15 years, I've seen a massive increase in the number of women founders who have come in to pitch and raise funding," said Theresia Gouw in *Wired*. She is cofounder of Aspect Ventures, a recently launched VC firm focused on the emerging mobile marketplace. "In my personal investment portfolio, the statistic used to be one in 10 founders were women. Now it's probably a third. That's a number that's heading in the right direction."

In the same article, Jennifer Scott Fonstad, Aspect Ventures' other cofounder, said she was also hopeful, indicating that when women in tech become successful, it's a virtuous cycle. "You now have a lot more wealthy, successful female entrepreneurs who are putting their money to work," she said.

### Tech sector business

.02

*Gender-Global Entrepreneurship and Development Index (GEDI) Research of High-Potential Women Entrepreneurs* measures the percentage of females in the tech sector.

## B2B technology: the land of milk and honey

Venture capitalists seek to make the best returns within the shortest possible time frame. The favorite sector to invest in is software. The software sector includes applications, database management, financial services and social/platform software. Of the companies profiled that have or will raise venture capital, Crowdnetic, DataGravity, Indiegogo and KNOCK fall into this category.

Although growing, the number of women-led, VC-backed companies in the software sector is still small. With more women getting STEM degrees, more women starting VC firms and role models like Luan Cox of Crowdnetic, Lili Hall of KNOCK, Paula Long of DataGravity and Danae Ringelmann of Indiegogo, expect continued growth.

You don't have to be a STEM graduate to start a technology company. Long is the only techie among the women interviewed. You can find partners or hire staff who have that skill set, as Cox and Ringelmann did. "I don't program but I can sell, and I can motivate and I can come up with great ideas," said Cox. "Great entrepreneurs obsess over solving problems; technology-based solutions, then, are simply the means to the end, not the end itself," said Ringelmann. "You have to have great technology; but it's impossible to have a great technical solution if you first don't understand your customer."

You also don't have to be an equity-backed company to be a role model for women in the B2B space. Liz Elting of TransPerfect, Kourtney Ratliff of Loop Capital and Nina Vaca of Pinnacle are also excellent role models. Technology plays a crucial role in the delivery of their services. "I'm not a technology person," said Elting. Instead she hired people with that skill. Elting and Vaca have also bought companies that had the technology capabilities they needed.

The pace of growth would accelerate far faster if male-led VC firms financed more women-led companies. Of course, they would apply the same rigorous due diligence process they do with male-led companies.

Women can stand the scrutiny.

## Women understand what women want

### Product innovation



### Process innovation



*Gender-GEDI* measures innovation in two ways: product and process innovation. New product innovation plays a crucial role in the success of “high-potential” female entrepreneurs. Innovation is just technology. Women’s ability to understand their own needs gives them a real edge in developing products and services. Erika Bliss of Qliance reinvents primary healthcare by changing the way you pay for it. Women don’t usually equate style with comfort in shoes; Mandy Cabot connected the dots with Dansko. Kara Goldin of Hint, Inc. recognized what Coca-Cola didn’t: some women want a healthier choice than diet drinks.

Process innovation applies and/or creates new technology. Luan Cox’s Crowdnetic makes it easier for private companies and equity investors to find each other no matter which crowdfunding platform they use. Paula Long’s DataGravity will make analyzing data more accessible for small and mid-sized businesses. Danae Ringelmann’s Indiegogo uses an open model — think Android versus Apple. It doesn’t determine who should or shouldn’t raise money or who should or shouldn’t be promoted. Even if you don’t meet your funding raising goal, you can use the money raised.

With women making 80% of consumer-purchasing decisions, they represent a huge market opportunity. They have also become the power-users of the internet as well as mobile and social media. Women feel burdened by the “triple whammy” of time-related challenges: managing the household and finances; finding time for themselves; and dealing with the demands of high stress, long-hour jobs. This time-crunch is based on research by the Boston Consulting Group (BCG) and an in-depth survey of nearly 7,800 women in 13 countries conducted in June and July, 2013.

“If you are a woman, chances are that you are doing more than one job,” said Genevieve Bell, director of user experience at Intel. “Your time is

fragmented in complicated ways. One of the natural consequences of this is that your patience with things that don't work is lower. In this sense, women become a gold standard for usability. If you can get it right for women, it's going to be right for everyone."

Women's serious dissatisfaction with products and services that just don't meet their needs is a big business opportunity, according to the BCG.

People assume that women don't understand technology. What they don't realize is that women have always played a role in domesticating technology such as electricity, bicycles, cars, radio, refrigeration and the internet, according to Bell. It's really that they don't have the time to figure it out. Women want things to work right out of the box.

"So I think the difference in men and women's adoption is not that they don't ultimately end up using the same technology," said Bell. "I think they probably do. It's just that women sort of barter. What gets those technologies into their lives is slightly different, and they tend to be thinking about others while they're doing it, right? Is the technology going to work with my kids? Is this going to help my parents? Is this going to be useful around the home? So they're not just thinking about themselves; there tends to be a focus on 'for others'."

## The convergence of technology and diversity

"Women are increasingly well off and very profitable customers," said Michael J. Silverstein, a BCG senior partner and coauthor of *Women Want More*. "They are willing to pay more across many categories for products and services that meet their needs. As they become increasingly time-constrained, there is significant, untapped value in providing them with a means to save time. They will trade money for time savings."

Companies that understand this, according to Silverstein, have shown major results in terms of sales growth, consumer loyalty and category dominance.

"Women are the dominant social media and ecommerce users yet are rare in the c-suites and on boards of the leading social media and ecommerce companies," said Lauren Flanagan, managing director of BELLE Capital, an angel fund focused on technology companies that have at least one woman in the c-suite. "Funding women-led companies is likely to drive further innovation and growth in the U.S. economy and likely to provide better ROI to investors."

Want to know how to reach women consumers? Check out the way Mandy Cabot of Dansko and Kara Goldin of Hint, Inc. are doing it. Or have a look at the way Lili Hall's KNOCK helps her clients do it.

## Why diversity is key

Want to unlock innovation? Diversity is the key, according to *Diversity and Market Growth*, research undertaken by The Center for Talent Innovation. Its research reveals that diversity is a critical factor in market growth. While workforce productivity gains always improve earnings, continued innovation is required to increase market share and open new markets. "Women represent more than half of the population of the world," said Robin Raskin, founder and CEO of Living in Digital Times, a conference and exhibit company specializing in high-tech lifestyle areas. "Without their involvement in innovation, we are discounting the ideas, needs and sensibilities of half the world. Diversity, as we've seen over and over, is the key to economic success."

"Women bring myriad talents to leadership teams that have traditionally been labeled 'soft skills,' yet, in reality, traits like empathy, patience and vulnerability drive tangible business outcomes," said John Gerzema, chairman and CEO of BAV Consulting, a consumer insights consultancy. "Empathy for your customers can create better U/X [user experience]."

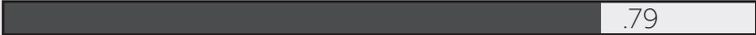
"This is generalizing, but women have always excelled at collaboration and communication," said Raskin. "Both of these are a fundamental part of new technology. Plus, women tend to be good at managing quick change, turning on a dime, seeing their way out of obstacles and into solutions. Empathy is another important characteristic. Women tend to see things from 'another person's viewpoint'."

In other words, more women in STEM, more women in tech startups and more diversity in leadership will lead to more innovation and better products and services — and will get the economic engine steaming along.

## Market diversity opens growth opportunities

Diversity in markets is another important factor in growth. Spreading your wings overseas can have many benefits for all businesses, including those owned by women.

## Internationalization



.79

Internationalization is measured in *Gender-GEDI* by the percentage of women startups in the United States that export their products or services.

The benefits of exporting are many:

- more customers
- increased revenues
- greater profits (The United States is a highly competitive market. You may be able to charge more outside the United States.)
- less vulnerable to market swings if you're in multiple markets
- improved economies of scale
- access to a larger talent pool
- increased innovation

Let's face it: if you don't do it, your competition will. For some of the profiled women — Liz Elting of TransPerfect, Kourtney Ratliff of Loop Capital, Danae Ringelmann of Indiegogo and Nina Vaca of Pinnacle — international sales are already an important part of their revenue. For other women — Luan Cox of Crowdnetic, Kara Goldin of Hint, Inc., Lili Hall of KNOCK and Paula Long of DataGravity — expanding abroad is an important growth strategy.

# Challenges to high-potential entrepreneurship and how to overcome them

A woman's ambitions, perception of her abilities, and attitude toward entrepreneurship ultimately shape whether she will strike out on her own and launch a high-potential company.

The talent pool is there. Research is beginning to show that ambitious women are opting out of the corporate world because they hit the glass ceiling and can't advance. Entrepreneurship allows them to use their talents, satisfy their ambitions and control their destinies. "We would like to see more talented and accomplished women from the ranks of corporate America take the leap toward entrepreneurship," said Amy Millman, president of Springboard Enterprises, an accelerator for women-led businesses seeking equity financing. "Their daughters will make that leap much faster."

## Women need to have confidence in their potential

### Opportunity recognition



*Gender-Global Entrepreneurship and Development Index (GEDI) Research of High-Potential Women Entrepreneurs* measures the percentage of the adult female population that can identify good opportunities to start a business in the area where they live.

### Perception of skills



.49

The percentage of the female population who believe they have adequate skills to start a business is called “perception of skills” by *Gender-GEDI*. Teaching and developing entrepreneurial skills and building networks plays a vital role in teaching entrepreneurial networks. Yet, women have self-doubt about their abilities. Women in the United States have more skills and better connections, yet it ranks lower than countries in the developing world. One important reason: self doubt.

Women are measured on accomplishments and men on potential. “Women always say they need more information, mentors and role models,” said Gloria Feldt, cofounder and president of Take The Lead, a leadership training organization for women. “But, really, what they need is to appreciate their own value and know how much power they actually have in their hands.” They need to value their potential to succeed rather than only the successes they’ve had.

Perhaps because so many women profiled in the book had started or worked in other companies, they had the confidence to dive into the deep end of the pool. Was there self doubt? Sure. Erika Bliss of Qliance thought she needed an MBA Lili Hall of KNOCK searched high and low for the book that would tell how to start and grow her company which, by the way, she never found. In the end, when each woman didn’t know how to do something, she turned to her stable of advisors, which included accountants, family members, peer advisor groups (a.k.a. CEO roundtables or Mastermind) and board members. When Mandy Cabot of Dansko thought the company had outgrown her mom-and-pop, home-schooled model, she hired a team of professionals.

## Women need to celebrate failure

### Willingness to start

.63

Fear of failure is one of the most important obstacles to the startup process. Women have often been viewed as more “risk averse” than men, but more recent research has indicated that the main difference lies in the way in which men and women perceive themselves and their environments. *Gender-GEDI* measures the percentage of women who think fear of failure would not stand in the way of their business.

In *Women Who Don't Wait in Line*, Reshma Saujani advocates a new model of female leadership based on sponsorship — where women encourage each other to compete, take risks, embrace failure and lift each other up personally and professionally. Saujani argues that aversion to risk and failure is the final hurdle holding women back in the workplace. She's never let “no” stop her. She was the first Indian-American woman in the country to run for U.S. Congress. She didn't win, but that won't deter her from trying again. Nor did two rejections from Yale Law School stop her from traveling to New Haven and begging the dean for her chance. She got in on her third try. Saujani is the former New York City deputy public advocate and founder of the national nonprofit Girls Who Code.

Danae Ringelmann of Indiegogo and her co-founders received about 90 “nos” from VCs before their first “yes.” Now that the industry and Indiegogo have proven themselves, they've raised \$56.5 million — including \$40 million in January 2014, in the largest venture investment for a crowdfunding platform.

“Celebrate failure as the fast track to experience and reward,” wrote Becky Blalock in her book *DARE: Straight Talk on Confidence, Courage and Career for Women in Charge*. Sallie Krawcheck did. She was fired from two big jobs in the financial services sector. She didn't hide. She picked herself up, dusted herself off and bought 85 Broads — a networking organization for women who want to advance their careers.

## You can't be what you can't see

In a world that is more likely to highlight misbehavior than good behavior, we forget the importance of role models — the people you admire who provide important life lessons. “You can't be what you can't see,” said

Marie Wilson, founder and president emeritus of The White House Project. Saujani credits TV shows such as *LA Law* and *ER*, which showcased women as lawyers and doctors, for inspiring a tidal wave of women entering those fields.

For women who aspire to start and grow big businesses, too few role models show them the way. Not because there aren't any, but because the media doesn't care. "Getting media visibility [for women entrepreneurs] is still a struggle," said Marsha Firestone, Ph.D. and president of the Women Presidents' Organization and Women Presidents' Educational Organization. It's better than what it was, but improvement is still needed, she added. Reporters tend to focus on a few stars, such as Sara Blakely of Spanx. She has a great story, but other women entrepreneurs do, too. One of the reasons I created *Breaking Barriers*, my column on Forbes.com, was to give successful women entrepreneurs the visibility they deserve. The other reason was to provide the inspiration for the next generation of women entrepreneurs.

Tracking and analyzing metrics is an important way to document progress, but as Kay Koplovitz, chairman of Springboard Enterprises said, "Stories inspire and change perceptions. By telling the right stories, you can show women how entrepreneurship can fulfill a woman's ambition to achieve. We need more stories about success and not just about the barriers." This will encourage ambitious women to move forward with their dreams and will build confidence on the investor side.

## Creating the next generation of high-growth women entrepreneurs

"Although only a small percentage of women have launched growth-oriented firms to date, the entrepreneurial landscape is changing in ways that will create new opportunities for the next generation of women entrepreneurs," said Alicia Robb, senior fellow at the Kauffman Foundation, which advocates for and researches entrepreneurship. "There are powerful motivators for women to create growth companies as well as personal, economic and societal benefits to be gained."

"If women haven't reached the upper rungs of management, they tend to feel marginalized in the corporate world once they've passed 40," said Judy Goss, CEO and founder of Over 40 Females. But in the entrepreneurial world, experience counts. The median age of successful company founders in a variety of fast-growing industries was 40, according to research conducted by Vivek Wadhwa, an academic, researcher, writer and entrepreneur. Twice as many founders were older

than 50 as were younger than 25 and there were twice as many over 60 as under 20. The experience that entrepreneurs had gained, the contacts they made, the networks they formed, their ability to recruit good management teams and their education give them great advantage over kids fresh out of school.

“As women build up their career credentials in the workforce as professionals, we’ve seen a significant increase in venture creation in all fields,” said Millman. “They are the rising stars in a business world that was closed to women for hundreds of years.”

Of course, entrepreneurship isn’t without risks — 50% of small businesses fail within their first five years — but many organizations are providing training, mentors and other services to change that.

## Men and women need to work together to ensure a robust economy

It isn’t an us-against-them thing. Men control the vast majority of leadership positions. “I need to be strategic in getting to know and making an impression on those who may be able to help me and open doors for me,” said Jane Newton, partner and wealth advisor at RegentAtlantic and the founder of the Wall Street Women Forum. “That includes men.”

We need men if we’re going to make the connections to money, markets, vendors and employees that will grow our businesses. This is a universal sentiment among everyone interviewed for the book.

Men like Warren Buffett recognize value when they see it. Buffett’s style of investing in high-quality, under-priced companies has made him one of the richest men in the world. Women are an undervalued resource that is key to America’s prosperity, wrote Buffett in an essay in *Fortune*.

It’s not just Buffett who is bullish on women. “Women have historically been underrepresented as founders of start-up, high-growth companies and most definitely have been underfunded relative to similar businesses founded by men,” said Adam Quinton, active angel investor and CFO of NopSec, which identifies and fixes IT security vulnerabilities. “Supporting the many immensely talented women entering this field, through mentorship to provision of capital, and doing so purely based on the quality of ideas and ability to execute, will strengthen a key segment of the economy to the benefit of us all.”

His view on women is supported by research which documents the skills that women bring to the table. Zenger Folkman, a leadership development and corporate training company, has compelling research showing women are more effective than men on 12 of 16 competencies used to measure leadership. Men excelled in only two. (The others were a wash.) “Many assume that it would be in the area of collaboration, teamwork, building relationships and developing people. The data says that is correct, but the biggest differences are that women display more initiative, follow-through and are more focused on producing good results,” said Jack Zenger, CEO and cofounder of Zenger Folkman.

In a world that is increasingly social, interdependent and transparent, the public vision of the ideal modern leader is shifting. Feminine skills and competencies such as empathy, flexibility, openness and collaboration are coming to the fore, not just as nice-to-haves but as business imperatives. John Gerzema and Michael D’Antonio revealed this finding in their book, *The Athena Doctrine: How Women (and the Men Who Think Like Them) Will Rule the Future*, which was based on research conducted among 64,000 people surveyed in 13 nations.

“These skills have greater currency because in today’s interdependent and hyper-connected economic landscape, there is greater need for transparency and cooperation, both of which were classified as feminine traits by our 64,000 international respondents,” said John Gerzema, chairman and CEO of BAV Consulting, a consumer insights consultancy. “This is an important reframing of women’s leadership in that it is not just about inclusivity and fairness, but because these skills translate to innovation, growth and prosperity for companies and society alike.”

More and more research in the corporate and entrepreneurial worlds is proving that diverse teams outperform homogeneous teams even if the homogeneous teams have better credentials. “Gender balanced leadership teams benefit from the diversity of perspectives and experiences that allows for more creative and better decision making,” said Quinton.

“I think they [women] often ask tougher, more probing questions, do not settle as easily for facile answers, and are willing to confront uncomfortable subject matter,” said Joe Keefe, president and CEO of Pax World Management, the investment advisor firm that integrates environmental, social and governance (ESG) factors into investment analysis and decision-making. “But it’s not so much that the women are different than the men, but that the group behaves differently when women are at the table. It’s about diversity, and I think the evidence shows

that diverse groups perform better than non-diverse groups.”

Women bring different skills to the table. “Women often have a great ability to get past abstractions and simply focus on which actions and activities make lives best for people,” said Larry Keeley, president and cofounder of Doblin, the innovation unit of Deloitte Consulting LLP. He is also the author of *Ten Types of Innovation: The Discipline of Building Breakthroughs*. Women’s skills include empathy, reflectiveness, observational skills, inclusiveness, systemic thinking, constructiveness and pragmatism. “Combine this with an often superior ability to productively engage, nurture and inspire the talents of individuals across the firm, and you get a magical combination of big goals and great collaborative spirit to achieve them.”

## Savvy businessmen support businesswomen

“Gender inequality is clearly an economic issue,” said Keefe. “It makes absolutely no sense to hold back half of the world’s population.” There is a lot of value locked up in our economy. This value can be unleashed and economic growth can be catalyzed if we press forward on providing equal access.

“They [women] are 51% of the population. The more they are able to do what they want, the better off the whole world becomes, obviously,” said Keeley. But there are other reasons that men support women. “Fairness. Of my grandchildren the girls outnumber the boys two to one,” said Zenger. “I want them to have an equally fair shake. Organizations need them. We’re passing over many capable leaders.” Gerzema, Keeley and Quinton have daughters. They too want to see them succeed.

Men are putting their money where their mouth is. “I have invested in eight startups with women founders or cofounders,” said Quinton. He invests in women-led companies because he firmly believes that a diverse team is a competitive advantage.

# Setting the stage for high-potential women entrepreneurs

## Making it cool for women to be entrepreneurs

Anyone who has watched *Mad Men* knows that cultural expectations affect career choices. It was once shocking for women to opt for ad writer instead of secretary or doctor instead of nurse. Unfortunately, it is still culturally dicey for women to opt for entrepreneurship on a large scale. Sure, they can run beauty salons and gift shops, but hundred-million dollar businesses? As owners or as c-suite execs? Such choices still make women seem “unfeminine,” too assertive or bad mothers.

### Female executive status



Our culture defines our views toward entrepreneurs. Without a culture that acknowledges its values, the best and brightest may choose other careers. *Gender-Global Entrepreneurship and Development Index (GEDI) Research of High-Potential Women Entrepreneurs* measures women’s attitude toward women in executive roles and decision-making positions. It doesn’t specifically measure attitudes toward women running their own companies, but high-growth female business owners are in many ways like “executives.”

Happily, attitudes toward entrepreneurship as a good career choice for women are changing. Women are recognizing that entrepreneurship may be a better way for them to control their destinies. Media could play a significant role in helping women realize that entrepreneurship is a viable, exciting, meaningful career choice. Not just the news media, but TV shows and films could tell stories about successful women entrepreneurs. Reshma Saujani, founder and CEO of Girls Who Code, points to the surge in women entering the legal and medical fields after TV shows such *LA Law* and *ER* aired.

The Presidential Ambassadors for Global Entrepreneurship (PAGE),

announced in April 2014, include five women among the 11 ambassadors named. That will inspire other ambitious and talented women to take the entrepreneurial plunge...if they can. Nina Vaca of Pinnacle is one of the ambassadors and is profiled in this book.

The elephant in the room is childcare. Unsurprisingly, it's not a factor in advancement for men but it is still a roadblock for women. Society still views women as the primary caretakers of children, according to *Gender-GEDI* research. Access to affordable and high-quality childcare expands mothers' opportunities to pursue entrepreneurial activities — emphasis on both "high-quality" and "affordable."

### Access to childcare



Access to affordable and high-quality childcare expands mothers' opportunities to pursue entrepreneurial activities — emphasis on both "high-quality" and "affordable." *Gender-GEDI* uses metrics that measure access to childcare that is both affordable and of high quality. It also includes the role of the extended family in providing childcare. Social norms as well as personal "internalized" gender beliefs worldwide result in women being the primary caretakers for their children. This score is a "relative measure." France and Sweden scored highest. There is plenty of room for the United States to improve, including adapting childcare to fit the flexible schedules of female entrepreneurs that tend to be different from the traditional 9 - 5 workday.

"About 70% of U.S. moms work, which means that childcare is an issue for most mothers (and fathers) and yet, affordable, quality childcare remains hard for many families to find," said Jennifer Owens, director of Working Mother Research Institute, which publishes the *Working Mother 100 Best Companies* and *Working Mother* magazine. "This leads too many families to opt to have one parent leave the workforce — not because they want to, but because they are forced to by the economics of childcare."

Childcare is an enormous expense. It can be the largest expense after housing. It's so expensive, in fact, that when Luan Cox of Crowdnetic and her wife were deciding how to handle childcare after the birth of their first son, they found that the economics of outsourcing didn't add up. Both agreed that it made more financial sense for Cox's wife to stay home.

"Affordable, high-quality childcare has remarkably positive effects," said Joya Misra, professor of sociology and public policy at the University

of Massachusetts. Countries with higher levels of publicly subsidized childcare have significantly higher levels of maternal employment and wages, she's found.

Liz Elting of TransPerfect, Kara Goldin of Hint, Inc., Lili Hall of KNOCK, Paula Long of DataGravity and Nina Vaca of Pinnacle could afford au pairs and nannies. Long had a mix of childcare resources. Her husband had more flexibility with his work schedule so he could help out, and they used day care. Hall and Vaca to some degree also relied on "granny nannies." Their mothers helped out.

"Affordable childcare is the great equalizer," said Misra. "It has tremendously positive effects, supporting the employment and wages of women at every educational level, and limiting the risk of poverty for families with children. If we want a diverse workforce, and we want to ensure equality of opportunity, high-quality, affordable childcare needs to be a key plank."

We're limiting the pool of talent that can create high-potential businesses. "Affordable, quality childcare allows more women (as the caregivers-in-chief for their families) to stay in the workforce," said Owens. "The loss of women in the workplace means a loss of diversity of thought, which leads to lower innovation and less knowledge of the primary consumer's mindset."

Right now high-potential entrepreneurship for women with young children or planning to have children is only an option for women who can afford the high cost of quality childcare. Of course this isn't just an issue for entrepreneurial women, but all working women. If left to states or local municipalities, not all would allocate funding and funding levels would be very uneven. To ensure equal access throughout the country, affordable childcare has to be funded at the federal level.

"As President Obama said in his State of the Union address, 'When women succeed, America succeeds,'" said Secretary of Commerce and chair of PAGE, Penny Pritzker. "At the Department of Commerce, we are committed to strengthening the role of women in business and encouraging successful women to serve as role models for the next generation. I hope the women of PAGE will inspire girls all over the country and the world to dream big and to turn their dreams into successful careers and companies."

Using women ambassadors to show other women that running a successful company and having a family are not mutually exclusive can

shape women's aspirations. Ultimately, however, if we want all women to have this choice, we need federally-funded childcare for working parents.

# No one “has it all” but you can have a lot

Women who run high-growth companies aren't superhuman, although sometimes they try to be. With a business to run, it's tempting to work long hours and pay no heed to the passing hours. But that's a fool's game. Longer hours doesn't mean you're getting more work done. Quite the contrary. You're less clear headed and productive, according to Danae Ringelmann of Indiegogo.

Women are learning that having it all is a myth. Instead, the profiled women are pragmatic about the need to integrate work and life. Time is a valuable commodity, as Nina Vaca of Pinnacle reminds us, and managing it affects the quality of her life and work.

The ways in which these women manage time is right in line with the advice of the pros. I've divided their techniques into a framework developed by Ellen Galinsky and Anne Weisberg at Families and Work Institute (FWI), which researches best practices in managing work and life.

## Prioritize, not balance

You can't manage your time if you don't know what your priorities are. “I always ask myself if what I'm doing now is the best use of my time,” said Mandy Cabot of Dansko. “When I think of work-life ‘balance,’ I think of a seesaw, one's up, one's down, a kind of zero-sum situation. Instead, I like to think of it as work-life integration. This allows me to let myself off the proverbial hook when I take care of personal matters at the office or bring my work home with me.”

Priorities will change over time. “I am constantly reevaluating my priorities at any given time,” said Liz Elting, TransPerfect. “If a certain task requires more attention, or I feel that I should be handling something a little differently, I'll revise my priorities in order to more effectively allocate my time.”

During some periods of time — when you're starting up or scaling — the demands on your time from work will be far greater. “It's a little more

out of balance than I would like right now,” said Erika Bliss of Qliance. “Our company is going through a very intense growth period right now. I anticipate that this whole next year is going to be pretty intense as I get the management team in place and kind of get the company fully on its feet.”

“I also think that there are certain sacrifices [you make as an entrepreneur],” said Lili Hall of KNOCK.

“Be as intentional and deliberate about ‘fitting’ the most important habits and moments into your work+life fit,” said Cali Williams Yost, CEO and founder of Flex+Strategy Group / Work+Life Fit, which helps businesses partner with employees. “You will never have balance, but chances are you have some level of control over how, when and where you will work.”

## Dual-centric, not work-centric

It may seem counter-intuitive, but people who do not always put work first are more successful than those who do, according to research conducted by Families and Work Institute. These people are dual-centric, that is, they are not just all about work.

“My family has to be on an equal plane with work,” said Luan Cox, Crowdnetic.

How do you become dual-centric? A few tips from Galinsky and Weisberg:

- Be clear about your priorities.
- Create expectations with those at work and at home.
- Meet those expectations.

The reality is that there will be times when work will be all consuming like during the startup stage of a high-growth company. “So you need to have your family on board with that, what’s going to happen and what real life will look like with this new venture in their lives,” said Paula Long of DataGravity. She cautions that when you do take part in family events, you have to really be there and engaged. You can’t show up and leave your mind back at work.

## Better, not perfect

“Women have a tendency to want to be perfect,” said Galinsky and Weisberg. “You’ve got to let go of stuff and be okay if things aren’t perfect... Perfect is the enemy of good.”

“There’s always something that’s coming up, whether it’s at work, personal, family...you name it, there’s always a way that something can fill your day,” said Kourtney Ratliff of Loop Capital. “What I’ve tried to do is get better at managing what it is that I need to do and what I want to do so that I’m being fulfilled both personally and professionally.”

## Team, not individual

A team approach works at both work and home. It’s about planning for what’s most important and making sure there is coverage, whether it is business or personal.

“It takes a village, really,” said Bliss. “There’s no joke about that. We talk about the company as an investment in the family as well.”

As the needs of her children changed, the team changed for Kara Goldin of Hint, Inc. Instead of one nanny who cared for her four children, she had two people. The morning person cleaned and got the kids out the door. The afternoon person was stricter and could help with homework and drive the kids to activities.

“At home you can’t do everything alone. In life or in business, you can’t do it all,” said Vaca. “It takes a group of people to make anything happen.”

“If the goal is to have both partners thrive at work and at home, then the key is good communication,” said Lori Nishiura Mackenzie, executive director of Clayman Institute for Gender Research at Stanford University, which researches issues related to gender equality. “And support during the days when the split is not 50-50. Sometimes a day will be 80-20, and partners who are patient, working through the various shifts and finding mutually beneficial solutions, can be the backbone of individual and family success.”

“At home, sit down each week with your partner, your caregiver, etc. and map out, as best you can, who is going to do what, when and how — at work and in your personal life,” said Yost.

## Rest and recovery, not flat out

Rest and recovery are essential for high performance. Everyone knows that performance athletes let their bodies recover. Don’t question the need for rest and recovery for you, as the leader of your company.

"I schedule 'down time' for myself every day, time to go to the gym or take a walk," said Cabot.

"I think it's important to have hobbies and interests, because a lot of us tend to be very engaged in work and have become workaholics to some degree," said Elting.

Bliss found that when she stopped working in the evenings and cut back on the amount of work she did on weekends, she was just as productive as she was when working overtime.

The women profiled had some additional tips:

- *Compartmentalize*: "I try as best as I can to compartmentalize," said Elting. "So when I'm at work, I'm very focused on work. I try to be very intense and get as much done as I possibly can during the confines of the traditional workday. And then, when I'm at home or with my family or doing something non-work related, I try to separate it and focus exclusively on that."
- *Make personal and business lives convenient to each other*: "My kids' schools are within a mile of our house," said Hall. She also lives near work as did Elting when her children were young. Goldin chose to live near her children's school too.
- *Make work part of your kids' lives*: Cox and Hall mentioned bringing their kids to work.
- *Use technology*: "Technology can provide new solutions so that workers have more control over their schedules," said Mackenzie. "This control can support workable work-family solutions."

Goldin puts everything on her calendar, including scheduling time with her children and walking the dog. Many of the women reported relying heavily on online calendars. Bliss has three offices, so her laptop is an essential tool for her. Elting has tablets both at home and at work. Ratliff has two smartphones and relies heavily on Skype and Facetime. She travels a lot so she lives and dies by the company travel app. For work, Ringelmann uses WorkFlowy, an organizational tool that can be used to take notes, make lists, collaborate, brainstorm and plan. Cox will Facetime with her son so they have more time together.

- *Supportive partner*: In her book *Lean In: Women, Work, and the Will to Lead*, Sheryl Sandberg talks about the importance of a supportive partner. Other successful women rely on that support as well. "I'm incredibly fortunate that I have a husband who does more than 50% of the stuff to keep us alive. Otherwise, we'd be in a lot of trouble," said Long. A supportive partner topped the

list for many of the women profiled. In order for more women to succeed, men need to step up to the plate and share in the responsibilities at home or at least help coordinate the team.

# What's needed to increase the trajectory of women-led businesses?

## Angels and VCs, take off your blinders!

Money is a key ingredient to growing high-potential companies. Yet, women have significantly less access to equity financing.

"For growth-oriented firms, angel investors and venture capitalists are key sources of financing during the survival stage," said Alicia Robb, senior fellow at the Kauffman Foundation, which advocates for and researches entrepreneurship. "This is a special challenge for growth-oriented women entrepreneurs who traditionally have received only a tiny percentage of angel and VC financing."

"I think it's terrible," Aileen Lee, founder of Cowboy Ventures, a VC firm focused on seed-stage technology that "re-imagines" work and personal life, said in *Wired* of gender bias in the tech world. "It's really not right. I think there's a lot of lip service given to solving it, but not a lot of real commitment." Male-led venture capital firms don't need to lower their standards, but they do need to source deals in new ways.

Whether it is intentional or not, male dominated venture capital firms are not investing in women-led companies. It's not just hurting their bottom lines, it's stunting the growth of the country. "There is a lot of money out there to be invested in great ideas and innovations. The only thing that holds us back is not having the key to open up the coffers," said Amy Millman, president of Springboard Enterprises, an accelerator for women-led businesses seeking equity financing.

## Women need to ante up

"The number of women entrepreneurs will not increase geometrically until women begin to invest both human and financial capital in each

other," said Millman. "It's not enough to be a volunteer mentor when the hopes and dreams of women entrepreneurs also require the necessary capital to have a big impact." Women who have the money need to consider adding angel investing into their investment strategy.

"Investing in women needs to move beyond charity and philanthropy," said Kelly Hoey, cofounder of the Women Innovate Mobile (WIM) Accelerator, an accelerator for female-led mobile startups. "Women will effect more of the change they want to see by taking control of their investments and creating greater wealth for themselves as well as other women."

Whitney Johnson, cofounder of the investment firm Rose Park Advisors, wrote in *Harvard Business Review* that one female social entrepreneur she interviewed from *Fast Company's* League of Extraordinary Women chose to form a nonprofit rather than a for-profit because she felt women were willing to donate freely to her cause, but would not invest in it as a business. "When you donate, you are giving something. When you invest, you can expect a return," wrote Johnson.

We need to change women's attitudes about money and investing. If wealthy women allocated a small portion of their wealth portfolio to women-led companies, it would be a game changer. Organizations such as 37 Angels and Pipeline Fellowship exist to help women learn to be smart angel investors.

## Start with girls

"To really sustain growth, training needs to be broader and start earlier," said Patricia Greene, chair of entrepreneurial studies at Babson College and national academic director of Goldman Sachs 10,000 Small Businesses. "I frankly think that where we will get the most improvement in women's entrepreneurship is if we educate the kindergarten teachers about it so that when little girls are growing up, they're talking about being an entrepreneur as a possibility."

"Get the word out as early as possible, for example, Girl Empower: the NFTE Summer Camp Experience for 7th and 8th grade girls, Tech girls and the other interesting programs emerging for young women," said Susan Duffy, executive director of the Center for Women's Leadership at Babson College. Girl Scouts start even younger. Selling cookies teaches girls goal-setting, decision-making, money-management, people skills and business ethics.

Girls Who Code launched in 2012, and it's getting a lot of attention. It was started by Reshma Saujani. Saujani has the ambitious goal of providing one million girls with computer science education by 2020. She's gone from teaching 300 female high school juniors and seniors in New York City in 2012 to 1,000 in five cities in less than two years. She's also starting girls' clubs to teach coding in schools, libraries and community-based organizations across the country.

## Embrace risk and failure as a culture

Saujani's book, *Women Who Don't Wait In Line*, advocates that girls and women embrace risk and failure, and encourage each other to succeed.

Girls Who Code has developed a new model for computer science education, pairing intensive instruction in robotics, web design and mobile development with high-touch mentorship and exposure led by the industry's top female engineers and entrepreneurs. Girls Who Code students combine a passion for coding and for changing the world. After her father was diagnosed with cancer, one girl developed an algorithm to detect whether a tumor was benign or malignant. She was 15 years old at the time. Other girls are tackling bullying and obesity.

"I'd like to educate the policy-makers and the resource and service providers," said Greene. Educating the policy-makers means working through the congressional aides because they guide and guard the information flow that creates policy. Educating them is in addition to educating accountants, attorneys and bankers about how the economy really works. They've all been taught about big business in school but not small business, which really drives innovation and job creation.

If you don't measure it, how will you improve? "We need a better way to measure and count women-led firms," said Julie Weeks. Her company, Womenable, uses census data to measure women-owned companies. There isn't a data source for tracking women-led companies. But how do you define "women-led?" If women own a plurality of a business but not more than 51%, it's not counted as women-led even if the founder and CEO and most of the c-suite are women. "It's my sense that there is much more growth among women-owned and -led businesses, but the fact that firms that are plurality-owned are not counted means that their impact remains largely invisible," said Weeks. Adding their success stories could provide the confidence and role models that aspiring women entrepreneurs need. And could inspire both men and women to work together on building great businesses.

The 10 women profiled here know and value the power they have within themselves. They show that women just like you are starting and growing high-impact companies. The purpose of highlighting these women entrepreneurs is to inspire the next generation of women entrepreneurs: are you one of them?

# "You've come a long way, baby"

Despite the progress women entrepreneurs have made, we still have miles to go before we have the same opportunities as men. Barriers still block our path.

"In the past America has been a land of possibilities only for the people who knew the right people," said Danae Ringelmann of Indiegogo. "With crowdfunding, the world is now an abundant land of possibilities for everyone."

Bias — intended or not — hurts everyone. Let's address bias and root it out rather than blame women for not fitting the male mold. Men's shortsightedness is hurting their own wallets and it is hurting the global economy.

Bias exists. Women are ambitious and have the right stuff. Research proves it. "The data and actual examples showing the high performance of women entrepreneurs needs to be shared broadly with potential investors: angels, VCs and, perhaps most importantly, limited partner investors who influence how large amounts of capital are deployed," said Cindy Padnos, founder and managing partner of Illuminate Ventures, an early stage venture capital firm focused on enterprise, cloud and mobile software. "Until they stop thinking of investing in a woman entrepreneur as potentially taking on additional risk, there will be unintentional bias in how those opportunities are evaluated."

Successful women need to support aspiring women entrepreneurs. Our money, expertise and influence could be the fuel that fires up a startup company or scales a company into the big time. By leveraging our current power, we can gain more power. Women who become angel investors can also open doors to opportunities, such as customers, referrals and additional money. They can also mentor and advise the companies they invest in.

More corporations need to recognize the value of supporting women entrepreneurs: it improves their own bottom lines. Investing in women entrepreneurs gives access to products and services that better meet the needs of businesses and consumers. Women-friendly companies also benefit from increased brand loyalty from women, who make more than

80% of consumer purchase decisions in this country.

Women need to judge themselves not on their accomplishments, but on their potential, as men do. "Women need to reprogram themselves around what they are capable of doing," said Luan Cox of Crowdnetic. "Starting a company isn't as scary as you think," said Paula Long of DataGravity.

Women still feel as if they have to choose between running a major business and having a family. A change is creeping in but not the one we want. Instead of finding ways to balance, to involve fathers more, women are beginning to opt out of marriage and family, according to *Today's Professional Woman Report*, October 2013, conducted by Citi and LinkedIn. It's a questionable direction to take, but it is hard to fault those who make that decision. After all, as a nation, we don't provide the support — affordable childcare, flexible hours — that allows women to have both family and career.

## The rewards of entrepreneurship

Entrepreneurs are among the happiest people in the world, according to the *Global Entrepreneurship Monitor 2013 Report*. Women entrepreneurs from innovation-driven economies, such as the United States, are even happier. That's no surprise to me, having interviewed 10 women entrepreneurs who lead high-growth companies.

"Unwarranted optimism is the first thing that separates successful women in high-growth entrepreneurial ventures from others," said Gloria Feldt, cofounder and president of Take The Lead, a leadership training organization for women. "Because they know it's always warranted."

Other research finds that entrepreneurs aren't cockeyed optimists. It's just that their experiences of success have confirmed their faith in their own judgment and in their ability to control events. Ambitious, talented women don't need to bump their heads against glass ceilings in corporate America. They can build their own businesses, with no ceilings at all.

Yes, it's hard work. Yes, there are good days and bad days. Yes, there are stumbling blocks and short-sighted funders who need a reality check. Yes, you have to take risks. But if you've got an idea, the ability to think long-term and solve problems, a passion to succeed and willingness to pick yourself up when you do fall, you can build whatever you want, glass ceilings be damned.





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Pundits and politicians praise the economic power of small businesses but what they don't say is that six million jobs would be created if women entrepreneurs had the same opportunities as men. This book is a practical look at the barriers women face in starting new businesses as well as the ways over, around and through those barriers. Using the experiences of 10 high-powered women business leaders, Stengel lays out the tactics that women can use to inspire and achieve business success. The women she profiles and the advice they give is supported by research and leads to several conclusions: women can and do innovate, lead and succeed. And we'd all be better off if the barriers were smashed permanently.



## Geri Stengel

Geri Stengel is a serial entrepreneur and founder of Ventureneer, a marketing and research company that helps large corporations reach entrepreneurs through thought leadership. As an author, *Forbes* contributor, consultant, teacher (Kauffman FastTrac facilitator and former adjunct professor at The New School) and speaker, Geri has helped thousands of entrepreneurs develop their business plans, learn the strategies and tactics they need to grow their businesses and make their dreams a reality. Her guidance has steered many entrepreneurs away from pitfalls that might have prevented or delayed their growth. She was named a 2012 and 2013 Small Business Influencer for her articles on the factors that help women entrepreneurs succeed.

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